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THE TIMES

The Shah's search
for democracy
in Iran, page 24

War danger in Africa dominates Commonwealth conference

nger of war in southern Africa dominated the opening
the Commonwealth conference in London yesterday.
gs of the growing dangers in the region were given

by Mr Callaghan and by President Kaunda of Zambia. The
Ugandan seat at the conference table remained empty. There
were varying reports of President Amin's whereabouts.

Zambian leader's warning of 'perilous dark shadow'

Spanier
Berthoud
Callaghan opened the
meeting of Com-
heads of govern-
ter House yesterday
other warning to the
of the southern
through the Queen's
seemed to give some
oude a silver lining,
sing tension in south-
loomed darkly over
ence.



Commonwealth walkabout: Mr Callaghan leads the heads of the Commonwealth delegations to a reception at Marlborough House after the official opening of the conference.

present, he pointed
completed the march
which they had
a 50 years ago,
fulsome tribute
ism in presiding
dissolution of the
at there were many
were absent, be-
them the struggle for
a British colony.
e. South Africa had
cast out, and its
e marching on the
ed on freedom.
South-West Africa
marching. The Com-
must rededicate
he freedom of the
masses.
ference discussed the
e a Seychelles dele-
gation were about
ted between them
ed to hear Mr
the deposed head of
e, and those who
hat to invite him
a risky precedent.
decided in the end
sechelles chair would
try. Any of the Con-
siders who would
Mr Manchem will
do so outside the
proper.
empty seat, of
the absence of Pre-
was mentioned very

body, but there was no dis-
cussion about it.
In his address, Mr Callaghan
said that there were in southern
Africa an ever increasing
number of people who saw the
sun as the only means of
winning freedom. "They want
to be proved right unless those
ruling minorities whose short-
sightedness has so far led them
to repudiate self-determination
and majority rule quickly
change their attitude and cease
to block the path of negotiated
settlement. The problem of
southern Africa will not go
away; it will intensify", he
said.

"Today, more than ever
before, the issues of peace or
war, of racial harmony or racial
conflict, hang in the balance.
... Which path will the minori-
ties of southern Africa choose?
Britain firmly hopes that
there will be a peaceful and
negotiated settlement to ensure
the future of Zimbabwe
(Rhodesia) and Namibia."
Somewhat defensively, per-
haps, Mr Callaghan said he
would like to make it clear now
that the "common sense of our
policy is our deep seated and
unshakable belief in the rights
of the individual and in the

capacity of all men, regardless
of colour and creed, to live in
conditions of equality and
mutual respect".
The Prime Minister said that
no matter how great the indus-
trialized members of the Com-
monwealth might think their
present problems were, the
questions in the developing
countries among the Common-
wealth's 36 members were more
stark and elemental. It was the
conference's task to seek
answers to the basic ques-
tions about poverty and in-
equality, and about the best use
of the world's resources.
He would have liked to see
an even wider range of agree-
ment at the North-South con-
ference in Paris, which ended
last week.

Mr Michael Manley, the
Jamaican Prime Minister, is
expected to make an important
contribution on this theme on
Friday. Informal sources sug-
gest he will advocate some
form of consultative framework
within the United Nations in
which a negotiated North-South
dialogue could continue to take
place.
Adopting a typically philoso-
phical line, Mr Deau, the
Indian Prime Minister, said the

President Amin keeps everyone guessing

By Stewart Tendler

The whereabouts and inten-
tions of President Amin of
Uganda remained a mystery
yesterday despite repeated
assertions from Uganda that he
was in the country. The Com-
monwealth Conference in London.
Meanwhile, the Uganda Gov-
ernment announced a ban on
Britons leaving the country,
saying President Amin would
decide about their status when
he returned (page 7).
The Ugandans issued a warn-
ing against attempts to rescue
the Britons, estimated to num-
ber about 240 persons.

Uganda radio repeated that
the President was on his way
to Britain and Mr Idi Oman,
Uganda's representative in
Britain, said that President
Amin would arrive in the
country by the end of the week.
Mr Oman said the Common-
wealth Conference would give
the President the chance to
refute the allegations against
him.

Uganda radio said President
Amin left for Britain on Tues-
day morning, but Mr Oman
said: "If President Amin
comes he will arrive in the
presidential jet and not by a
scheduled flight."

Yesterday The Times tele-
phoned the presidential com-
mand post in Entebbe and was
told that President Amin would
arrive late yesterday or today.
Asked how he would arrive the
official at the command post
said that the President might
come by air or by sea.

A telephone call to the office
of the Ugandan Vice-President
in Kampala elicited the in-
formation that President Amin,
his Vice-President and "900
delegates" had taken off yester-
day morning and could be
expected in Britain at any time.

Ugandan flights regularly
arrive at Stansted airport in
Essex and yesterday morning
two Boeing 707s from Uganda
Airways touched down. They
were carrying passengers and
cargo but no President Amin
or 900 delegates.

The next scheduled arrival at
Stansted is a large Hercules
C130 transport plane.
A spokesman for President
Amin told a Norwegian radio
reporter on the telephone from
Kampala yesterday morning
that President Amin had left
the Arab country where he had
stayed overnight and was
travelling ship to Britain.
"We don't know when he
will arrive in London, but the
President is going to phone us
when he has reached the
British capital", the spokesman
told the reporter.

Mr Mason increases undercover role of Army in Ulster

From Our Own Correspondent
Belfast

Less than a month after the
humiliating collapse of the
second "loyalist" strike in
Northern Ireland, Mr Mason,
Secretary of State for Ulster,
yesterday announced compre-
hensive ranges of new security
measures aimed primarily at
the Provisional IRA.

In a series of interviews Mr
Mason later denied that the
Government's move was a re-
sponse to the abortive protest
by extreme Protestants. He said
it was based on a genuine
recognition of disquiet in the
whole community about the
effectiveness of security policy
and was drawn up after an
intensive series of discussions
with Ulster's main political
parties.

The measures range from
increased penalties for a variety
of terrorist crimes to offers of
improved weapons for the
police, but its crucial section
disclosed a much increased
undercover role for the British
Army.

Although no numbers have
been mentioned officially, it
is understood that several
hundred soldiers will be sent
to Ulster in the next few weeks
for a variety of covert opera-
tions to run in parallel to those
already being undertaken by
The Special Air Services Regi-
ment.

In the future the Govern-
ment plans to lay much greater
emphasis on the intelligence
gathering activities of the
Army, relying heavily on the
experience gained by many
individual soldiers and intelli-
gence officers over the past few
years. At the same time the
number of uniformed patrols will
be cut and the emergency
snatchers will be
withdrawn to Britain next week.
But Mr Mason categorically
denied last night that the total
number of British troops
stationed in Northern Ireland
would drop below its pre-strike
figure of 14,000.
By emphasizing the primacy
of the police in the Govern-
ment's long-term strategy, the
underlying theme of British
security policy outlined in the
measures remains consistent
with that followed for the
last few years. But Mr
Mason has again demon-
strated an outward determina-
tion to stamp out terrorism
which has won him much popu-
larity recently among local
politicians.
Apart from the increase in
undercover squads, membership
of the part-time Ulster Defence
Regiment is to be raised by 700
men, more policemen are to be
recruited, a new offence with
a five-year maximum sentence has
been created for bomb-makers,
and the maximum penalty for
Continued on page 6, col 4

00 in all walks of life receive en's Silver Jubilee Medal

ung after Jubilee
it an amazingly
coming for more
citizens yesterday.
came through the
registered pack-
it was a complete
...
10 were the un-
recipients of the
r Jubilee Medal, a
ward from the
Diligent consul-
overment depart-
ment, the
vices, commercial
luntary organiza-
ion, on assured that
each people in fe-
nounced from 10
er last November
would be such a
ar had been
since. In fact,
one honoured yester-
day Buckingham
the Silver Jubilee
Service suspecting
ard might be an



Obverse of the Queen's Silver Jubilee Medal.

mounted by a crown and sur-
rounded with a wreath of
silver birch foliage and oak-
leaves occupies the reverse.
The accompanying ribbon is
one and a quarter inches wide,
watered white with a central
strip of cardinal red, Garter
blue on either side and finish-
ing edges of cardinal red.
Because it was struck at the
royal Mint the medal does not
require, or qualify for, a ju-
bilee hallmark. It is an official
medal, to be worn on all occa-
sions when decorations and
medals are called for.
Medals such as this are
issued rarely. The last was at
the Queen's coronation, the
one before that at King George
V's jubilee.
In addition to more than
30,000 medals and the
United Kingdom too one has
yet been able to count this
exact number, "many thou-
sands" more were issued in
the other surviving monarchies
of the Commonwealth, Canada,
however, chose to settle her-
own medal at her own mint.

The announcement of the
medals last November said that
they would be received "on or
shortly after June 8". If none
arrived yesterday, the authori-
ties say it is remarkably pos-
sible that a surprise or two may
turn up in this morning's post.
"After all, one cannot always
rely on the post after a long
holiday", an official said.
Those who are still without
after the postman has called
this morning, though, are
urged not to make contact
with Buckingham Palace, 10
Downing Street, or anyone
else.
Jubilee trail, page 2

Communication of rebel te hinted at by Pope

to Correspondent
3 remained his
tence today that
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ing from the
ministry anyone
repeated appeals,
clitunt."
d mentioning by
uel Lufeyre, the
bishop whom he
l for disobedience,
ence was clear
Pope's statement
days after Mgr
ounced here that
change his mind
he had chosen
ng the Vatican's
nce of the church.
to ordain more
e Swiss seminary
June 29. He was
ter his last act of

cur excommunication, and it is
widely thought here, the punish-
ment will be pronounced.
Rome, June 8.—A Catholic
source who has followed Mgr
Lefebvre's rebellion for several
years said the Vatican was in a
"terrible dilemma".
"If the Pope excommunicates
him he has a schism, but if he
does not, he has Lefebvre con-
tinuing to disobey him and
ordaining his own priests", the
source said.
"There is the question of
how many of the right-wing
people now following him are
likely to continue if he is ex-
communicated and how many
would withdraw to remain in-
side the Church."
The Church's last schism was
by the "old Catholics" of
Munich, who objected in 1871
to a decision by the first Vat-
ican Ecumenical Council approv-
ing the infallibility of the Pope.
—Reuter.

Moluccans free hostage and agree to talks

Assen, June 8.—South Molu-
can guerrillas holding Dutch
passengers on board a hijacked
train near here today released
a third hostage and agreed to
more mediation talks designed
to end the 15-day siege.
Two prominent members of
the exiled South Moluccan
community, who spoke to the
gummen for six hours on the
train last Saturday, will board
it again tomorrow for a fresh
mediation attempt. The Dutch
Government said the resump-
tion of the talks had been
arranged by mutual consent.
The hostage freed today, Mr
Theo van Hest, aged 46, has
a heavy complaint. He was
helped from the train by two
guerrillas and was carried away
on a stretcher. Another gang
of Moluccans are holding four
teachers at gunpoint in a
school at Boveninsluis, page 14
Psychiatrist's view, page 14

President Carter bars \$4,000m jet sale to Iran

The proposed sale of 250 advanced American jet
fighters to Iran at a cost of about \$4,000m has
been barred under President Carter's new policy
of reducing United States arms sales abroad.
Officials in Washington said the deal conflicted
with several provisions of the policy, particularly
as Iran was not in any danger of attack.
It was a signal that Iran, although a close ally,
could not expect "an unending flow of arms".
Page 7

Tesco cuts its prices between 3 pc and 20 pc

Tesco Stores formally declared a High Street
price war with cuts of between 3 per cent and
20 per cent. Having dropped Green Shield
stamps, Tesco will now cut the price of fresh
meat, frozen foods, dog food, bread and
biscuits. Cuts of up to 15 per cent will affect
such items as fresh meat, butter, frozen foods
and tea.
Page 17

Dr Castro's prisoners

President Castro of Cuba has admitted that
there are between 3,000 and 4,000 political
prisoners in his jails. In the early years of the
revolution, about 15,000 people were detained.
Dr Castro's admission was made in a television
interview with the American Broadcasting
Corporation. He said full relations with America
would take a long time to restore.
Page 9

Pig deal in Brussels

Britain's pig breeders can expect their prices to
go up by about 3.7 per cent if EEC proposals to
aid the pigmeat industry are approved tomor-
row. But the Commission rejects the claim that
British pig producers deserve special help.
Page 7

Italians lead group

Italy lead England by one goal in their World
Cup qualifying group after their 3-0 victory
over Finland in Helsinki. Italy have three games
left to play and England two. They meet at
Wembley in November. The Italians have
Finland and Luxembourg to play in Rome, and
even if they lose to England their goal
difference could see them through to the finals.
Page 10

Gaullists' challenge

The Gaullists in the French National Assembly
have decided to demand the postponement of
next Tuesday's debate on the Bill providing for
direct elections to the European Parliament.
They have accused a sudden worsening
of relations between the parties making up the
Government majority.
Page 6

Fianna Fail poll hopes

Mr Jack Lynch, backed by a well organized
American-style campaign, has boosted the hopes
of his party, Fianna Fail, in the Irish
election campaign. Local polls indicate that
the party has been more successful than the ruling
Fine Gael-Labour coalition in putting its
message over.
Page 6

Confusion in Italy

The lay parties in Italy are divided about what
to do after the unexpected defeat of the
abolition Bill in the Senate, with the Radicals
urging a referendum and the Republicans
wanting the Bill presented again in the lower
house. The Christian Democrats are genuinely
surprised at the result.
Page 7

Invalid tricycle dispute

Mr Jeffrey Rooker, Labour MP for Birmingham,
Perry Barr, has referred to Sir Iddell Pugh, the
Parliamentary Commissioner, evidence of con-
tradictory statements by ministers on the reasons
for his phasing out the invalid tricycle. The
uncertainty facing existing tricycle drivers
amounted to injustice, Mr Rooker told Sir
Iddell.
Page 4

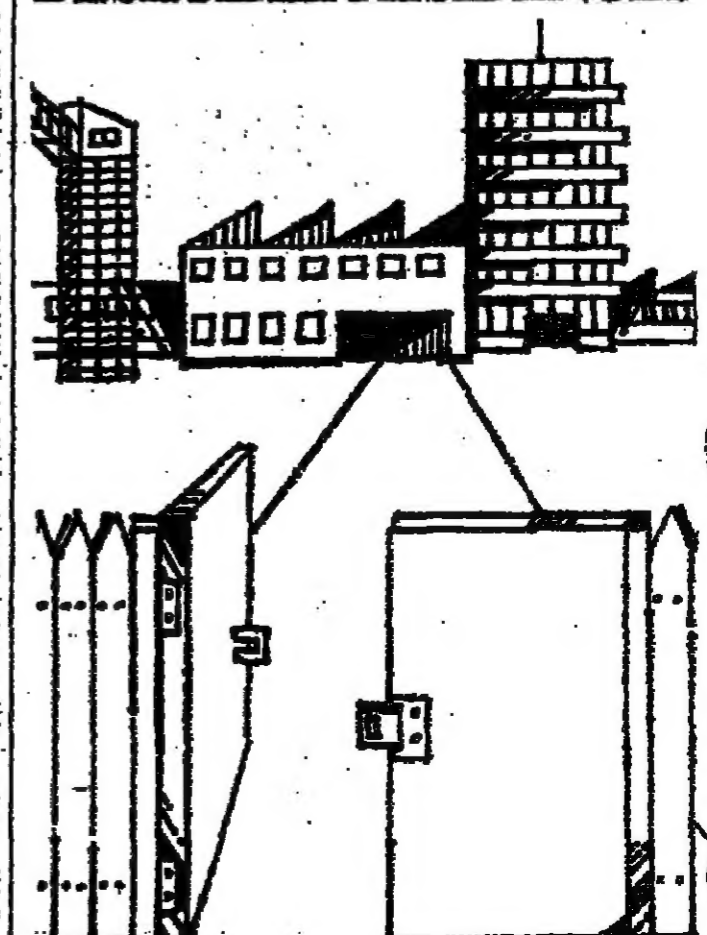
Approach to butchers

Matthew Holdings, the great butchers group
headed by Mr Raymond Bloye, the Crystal
Palace Football Club chairman, has had a
takeover approach from Thomas Borwick, the
meat trader. Mr Bloye's group is negotiating
with the club to take over land at Selhurst
Park in settlement of debts.
Page 17

Pensions: Mr Jack Jones condemns the Govern- ment for failing to implement successive Labour and TUC conference resolutions on pensions

4
Bad buys: Holiday Which? says that duty-free
goods bought abroad may cost more than in
shops in Britain.
4
Cape Town: New round of talks begins between
South Africa and the leading Western nations
on the future of Namibia.
7
Moscow: Russian commentators launch a severe
attack on President Carter as "enemy of
détente".
9

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SILVER JUBILEE



Thames panorama: Old merges with new in this view of London which the Queen will see today as she approaches Tower Bridge during her progress by Port of London Authority launch from Greenwich to Lambeth. Among the landmarks (numbered key, left) are: (1) Guy's Hospital; (2) Southwark Towers, part of the new Post Office International Exchange; (3) St Paul's Cathedral; (4) the square chimney; (5) the square chimney; (6) the preserved twin towers of Cannon Street; (7) The Post Office Tower; (8) The London Bridge station site redevelopment; (9) St Paul's Cathedral; (10) the Tower of London; (11) The Tower Bridge and the London Bridge; (12) The Tower Bridge and the London Bridge.

Pedestrian trail opens new Thameside vistas to jubilant Londoners

By Philip Howard

The Queen is today opening London's permanent physical memorial to her jubilee, the Silver Jubilee Walkway. This 5.1-mile pedestrian trail winds from Leicester Square, over Lambeth Bridge and along the South Bank to Tower Bridge and up Tower Hill. On its way, it skirts many of the cities that go to make up London: the political capital, the cultural centre, the parks, palaces, churches and streets where people live. It is distinctly short on some of the other faces of London, such as shopping, manufacturing industry, and pubs; but it rightly encircles and hugs the reason that London came to be where it is, London's river, opening sudden vistas on the splendours of King's Reach and the Upper Pool.

The committee that planned the environmental programme of the London jubilee celebrations intended the walkway to be "a comprehensive, stimulating, and economical means of leaving some mark from the jubilee, not only on the face of London, but on the attitude of Londoners and of visitors, to the London heritage in its many diverse forms".

The walkway certainly is economical, in that its most conspicuous sign is the white paint waymark of the jubilee symbol of the dome of St Paul's surmounted by a crown, painted to mark the route every 25 paces or so. In addition there are paving stones marked with the symbol, wall plaques, and other markers. The walk starts near the site of Leicester House, focus of furious Hanoverian quarrels with their heirs, with paving stones marked to show the distance to every capital of the Commonwealth and to the North Pole.

The Queen will be opening the Jubilee Gardens, the most important new work on the walkway today. It lies halfway along the walkway between County Hall and the Festival Hall. It was formerly the site of the Dome of Discovery at the Festival of Britain, then a squallid car park. Now there are a fine riverside avenue of young planes and a new sunken garden with a large but unobtrusive stage for musical and other performances.

The provincial Government of British Columbia has erected the tall flagpole that it first erected here for the

Rhodesia speculates on 'that foreign sovereign as our Queen again

Britain's jubilee celebrations were front-page news in many parts of the world yesterday and there were unexpected comments from some sources.

In Salisbury, the *Rhodesia Herald* wished the Queen luck and happiness on her jubilee and added that she might one day again be Queen of Rhodesia.

The London celebrations dwarfed news of the latest developments in the crisis between Rhodesia and Zambia.

In its editorial, the *Herald* said: "There are many Rhodesians who still think of the Queen" rather than "Queen Elizabeth II", and will be wishing her luck and happiness at this time. She still typifies what is good and lasting in Britain, and feeling for her transcends the obvious actions and attitudes of various British governments towards this country. With more constitutional changes in the offing here, it is interesting to speculate that an accepted independent Rhodesian republic could choose to remain in the Commonwealth, which would make that foreign sovereign our Queen again."

Speaking in Canberra, Sir Roden Cutler, VC, who is acting as administrator of Australia in the absence of the Governor-General, Sir John Kerr, who is in London, conceded that republicanism in Australia may be growing.

Sir Roden, Governor of New South Wales, who was attending the silver jubilee dinner of the Council of the Commonwealth Societies, made clear that he does not entirely agree with those who want Australia to adopt a republic, but he added: "One can easily see the strength of some of these arguments, and understand that these views may continue to grow in the future, rather than diminish."

His speech caused quite a stir, not only because of its timing, but because his remarks are at variance with the public expressions of opinion of both Sir John Kerr and the Prime Minister, Mr Fraser.

Sir Roden said that while he distrusted opinion polls which showed that the strength of republicanism was between 28 and 54 per cent, there was "obviously a sizable body of opinion in this country which feels that republicanism is a better form of government".

But, he said, those arguing for a republic in Australia had not stated just where and how a change in the system of constitutional monarchy would benefit the country. He could not see the costs of government being reduced, or that government and financial relationships between the Commonwealth, the states and local government would be improved.

"I cannot see that taxation would be less, or that welfare would be greater; nor can I see any change in our authority as a nation and our independence in dealing with other countries."

Asian newspapers gave prominence to the jubilee, and pockets of expatriate Britons held their own celebrations.

In Tokyo, more than 500 people, including Crown Prince Akihito and Princess Michiko, attended a Japan-British Society reception at the British Embassy.

In Thailand, a country that deeply respects its own monarchy, the *Bangkok Post* carried a special supplement on the celebrations. More than a thousand British people attended a gala reception at the British Embassy in Bangkok, along with government officials.

In Hongkong, Lady MacLehose, wife of the governor, planted a tree outside the Girl Guides' headquarters to mark the jubilee.

In Singapore, week-long celebrations by the British community included a gala ball.

A South Korean television station showed a 20-minute film entitled *Monarchy the British Way*, and viewers were reminded that Queen Elizabeth came to the throne during the Korean war, in which British troops fought under United Nations command against the communists.

The British Embassy held a reception for the British community of about 500, mostly businessmen and engineers working on South Korean industrial projects.

Most of the leading Indian newspapers reported Britain's jubilee celebrations but devoted far greater space to the Commonwealth conference.

The *Statesman* said: "Contrasted with that of George V, the silver jubilee of Queen Elizabeth II is perhaps being celebrated with somewhat qualified enthusiasm. There is certainly no talk today, as there was immediately after the coronation in 1953, of a second Elizabethan Age."

The British community in Delhi held jubilee celebrations some time ago because of the weather.

In Kenya, the *Daily Nation* said: "There is no getting away from the fact that the relationship between the British Royal Family and this nation is more than just a friendly and cordial one. It is a special and warm one."

"Ever since that day more than 25 years ago when Princess Elizabeth, who was holidaying with her husband at the Treetops game lodge in Kenya, received the news of the death of her father, King George VI, it has been clear that Kenya and Kenyans occupy a special place in the heart of the British sovereign."

Britain's colonial wish Kenya, which independence in 1963 given way to one of respect and affection of equality. "As the twenty-sixth year on we Kenyans, as new Commonwealth of heads, can only say: 'She reigns!'"

West: Germany's newspapers devoted space to the jubilee.

The left-liberal *Rundschau* said: "The past lay over the and the Commonwealth 'it sometimes seems the British feel near great past than they uncertain future."

"To lose a world in the space of two not only political consequences but as well. One wonders Germans would have such a situation. It feared that we should far more difficulties serves and with the world than Great Br—Reuter and AFP.

Day of boat progresses, pageants and fireworks for the Royal Fam

By Penny Symon

London's silver jubilee celebrations continue unabated today with the Queen's river progress from Greenwich to Lambeth, a pageant of more than a hundred boats, and five simultaneous fireworks displays, the costliest and most ambitious ever seen on the Thames.

The Queen told her audience at the Guildhall luncheon on Tuesday that she felt she was doing her fair share of travelling during jubilee year. She was referring to Commonwealth visits, but will probably feel that after this week, the busiest through north and south London in a few weeks' time that she has also done her fair share of meeting the inhabitants of the capital.

Before she embarks on the Nore, the Port of London Authority's motor launch, which is used for conveying important guests up and down the Thames as well as its main job, surveying the river and the docks of Edinburgh will stop at Deptford for an unofficial visit to meet children who have collected money to send a thousand pensioners for a day out to Margate. The royal couple will see the concert off.

The Queen and her husband will embark at Greenwich Pier and head downstream, passing the Great Harry, a reconstructed Tudor warship originally built in 1514. The reconstruction is sponsored by the Maritime Power Services Commission as a job-creation project for unemployed young people. The ship will eventually be berthed permanently in Woolwich reach.

The royal party will then turn upstream and disembark at Deptford Steps to tour a council estate by car, and then leave in the Nore for Southwark. At Cherry Garden Pier, the Queen will be met by a car to drive her to Southwark Park, where she will unveil a sculpture in granite from Surrey Docks, constructed by students from the Camberwell School of Arts and Crafts.

The Nore will then take the Queen and the Duke to St Katharine Pier, where they will inspect the yacht bays.

After lunch on the royal yacht Britannia, moored off the Tower of London, the Nore will convey the royal couple to Lambeth Palace, where they will be met by the London Fire Brigade, before walking to Lambeth Palace for tea with the Archbishop of Canterbury.

Later, in the evening, the Queen will unveil the silver jubilee walkway plaque at Westminster Bridge, and then drive to County Hall to watch a pageant of boats. More than a hundred will leave Greenwich just after 6 pm, and proceed to Vauxhall, turn, and pass the terrace of County Hall, where the royal party will be seated, at 8.40 pm.

The craft taking part in the pageant will represent London, riverside and British industry and commerce, and many other organisations.

The Queen will then open the South Bank Jubilee Gardens, near County Hall, on the site of a former car park before going to the Shell Building, where she will watch the first fireworks from the twenty-fourth floor.

The South Bank display will be relayed live to Hyde Park, which will stay open all night. Mr. Rex, a film producer, plans to erect a 30ft high colour television screen there.

Details of the Queen's engagements today are as follows:

10.30 am: Arrives at County Hall, Greenwich; the Nore sails at 10.35.

10.45: Disembarks at Deptford Steps.

11.15: Leaves Deptford for Nore.

11.30: Disembarks at Cherry Garden Pier for drive to Southwark Park.

12.15 pm: Nore leaves Cherry Garden Pier to take the Queen to St Katharine Pier where she will disembark at 12.15.

12.45: Embarks in royal barge at St Katharine Pier for HMV Britannia.

13.00: The Queen and the Duke of Edinburgh, lunch on Britannia.

13.05: Nore, with the Queen embarked, will leave HMV Britannia and proceed up river to Lambeth.

15.20: Disembarks at Pier and, at 15.25, London Fire Brigade.

15.40: Walks to Lambeth Palace, where she will be met by the Countess of Kent.

16.25: Leaves Lambeth Palace for Buckingham Palace, where she will watch the first fireworks display.

20.15: The Queen, the Prince of Wales, Prince and Princess Edward, Prince and Princess Margaret, and the Duke and Duchess of Gloucester, will be at the Palace.

21.35: Arrives at the Palace.

22.00: The Queen will watch the fireworks display from the Palace.

22.15: The Queen will watch the fireworks display from the Palace.

22.30: The Queen will watch the fireworks display from the Palace.

22.45: The Queen will watch the fireworks display from the Palace.

23.00: The Queen will watch the fireworks display from the Palace.

23.15: The Queen will watch the fireworks display from the Palace.

23.30: The Queen will watch the fireworks display from the Palace.

23.45: The Queen will watch the fireworks display from the Palace.

24.00: The Queen will watch the fireworks display from the Palace.

24.15: The Queen will watch the fireworks display from the Palace.

24.30: The Queen will watch the fireworks display from the Palace.

24.45: The Queen will watch the fireworks display from the Palace.

25.00: The Queen will watch the fireworks display from the Palace.

25.15: The Queen will watch the fireworks display from the Palace.

25.30: The Queen will watch the fireworks display from the Palace.

25.45: The Queen will watch the fireworks display from the Palace.

26.00: The Queen will watch the fireworks display from the Palace.

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NatWest International welcomes you abroad.

			
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HOME NEWS

Mr Jones condemns Government on pensions

By Tim Jones
Labour Reporter

Mr Jack Jones, general secretary of the Transport and General Workers' Union, yesterday warned the Labour Party that grave harm would be inflicted on the morale and solidarity of the movement unless it acted to improve pensions.

In a letter to Mr Ronald Howard, general secretary of the party, he condemned the Government for not implementing successive Labour Party and TUC conference commitments on pensions.

He called on the Labour Party executive for "an immediate undertaking" that at the party conference in September an "absolute assurance" will be given that everything possible will be done.

Both the party and the TUC Mr Jones stated, are committed to bringing pensions up to at least half of average earnings for married couples and a third of that level for single pensioners.

He criticized the recent £2.50 and £2.20 pension increases as inadequate. "The serious plight of many pensioners in the current inflationary situation cannot be doubted, and this union believes that the Labour Party must clearly identify with the needs of the people."

The letter ended: "This commitment to the needs of our retired people cannot be further neglected without grave harm to the morale and solidarity of the movement."

MP alleges confusion on invalid tricycles

By Pat Healy

Contradictory statements by government ministers over the reason for phasing out the invalid tricycle has led to the matter being referred to Sir Idwal Pugh, the Parliamentary Commissioner.

Mr Jeffrey Rooker, Labour MP for Birmingham, Perry Barr, said yesterday that Sir Idwal had told him that there seemed to be a prima facie evidence of maladministration, but that he would make inquiries before deciding whether to investigate.

Mr Rooker's evidence cites a series of ministerial statements which, he says, contradict each other and leave tricycle drivers confused as to the real reason for phasing out the vehicle. In a brief prepared for Sir Idwal, Mr Rooker points out that Mr Enoch, Secretary of State for Social Services, first stated that the decision was caused by the failure of the vehicle to meet international regulations to which Britain must subscribe.

But Mr Rooker's own research of the relevant directives from the European Economic Community showed that they did not apply to three-wheel vehicles. Mr Rooker also contends that the directives are not binding on member states.

When he raised the issue again he was told by Mr Morris, Under-Secretary of State for the Disabled, that the "factor of real significance" was that the tricycle could not go on meeting Britain's own road safety regulations. Those regulations were passed in June, 1976, a month before the decision to phase out the invalid tricycle was announced.

Before the regulations were presented formally to Parlia-

ment, they were discussed between officials at the departments of transport and health to clear the situation on invalid tricycles. Mr Hosain, Minister of Transport, told Mr Rooker in a letter disclosed yesterday.

Mr Hosain wrote that the regulations "do not impose criteria which will preclude invalid vehicles issued by the Department of Health and Social Security being used on the roads of this country."

The interdepartmental meeting agreed that the invalid tricycle would be able to meet present approval requirements, Mr Hosain wrote. The vehicle was now undergoing tests with a view to granting it approval under the new regulations which would apply to new vehicles manufactured after October 1, 1977, and first registered on or after April 1, 1978.

Mr Rooker said yesterday that he had told Sir Idwal that the uncertainty facing existing tricycle drivers amounted to injustice. So did the fact that about a thousand disabled people in Britain had been denied tricycles since last August.

Existing tricycle drivers have been given repeated assurances but no guarantee that there will be another vehicle adapted to their needs."

Sir Idwal's office said yesterday that they were awaiting a substantive reply from the Department of Health before deciding whether to investigate the issue. If they went ahead, it would be a limited investigation on the reasons behind the Government's decision to phase out the tricycle.

The Honours System 1: Fascination persists despite the demands for abolition
The great British obsession with 'pelf and place'

By Peter Hennessy

"Looking through the photographs in the New Year Honours list, I am struck (as usual) by the quite exceptional vigour and vigour of the faces displayed there. It seems to be almost the rule that the kind of person who earns the citizens and knights Lord Percy de Falconborough should look at best like an overfed publican and at worst like a tax-collector with a duodenal ulcer." — George Orwell, *Tribune*, January 7, 1944.

How the recipients of Sir Harold Wilson's patronage would have inspired the polemicist in Orwell had he lived to witness their preferential sound and fury about the honours system has been one of the few stable features of postwar life in Britain. Our obsession with 'pelf and place', to borrow a phrase from the Red Flag, has provided much therapeutic satisfaction for our more radical citizens and both wonder and amusement for foreign observers.

On Saturday morning a bumper Jubilee Honours list will be published. Unless it contains a knighthood for Mr Peter Jay, the Prime Minister's spokesman, or a peerage for Mr Tom McCaffrey, Mr Callaghan's press secretary, its very normality may do much to heal the memory of Sir Harold's creations.

There could be nothing better than a ban on the Empire Medal for a school janitor, a



Sir Antony Part: Full sash and insignia.

Mr Wedgwood Benn: Keen photographer.

CBE for a beekeeper or two and a knighthood for an exporter of nuts and bolts for rescuing the reputation of the system from the former Prime Minister's cheeky risk-taking.

But fascination with honours and occasional calls for their abolition or reform will persist. It is not simply a matter of envy or class fixation. Perhaps that original economist and social scientist, Professor Fred Hirsch, of Warwick University, pointed towards an answer in his book, *Social Limits to Growth*, published earlier this year.

Addressing the riddle of why greater affluence tends to make people more miserable,

he declared there were certain good things in life, paintings, country cottages with fine views, which were subject to physical limits and permanent scarcity, available to but a privileged few whatever the general level of prosperity. Positional goods, Professor Hirsch called them.

If ever there was a positional good it is an honour. The lists are subject to strict numerical quotas, relaxed only on special occasions such as a coronation or a jubilee. If Professor Hirsch is right, however rich and harmonious British society might become, honours will remain a source of heat rather than light.

The case for honours is well known. They are a cheap and reputable way of rewarding voluntary service and exceptional merit and bring harmless pleasure twice a year to those upon whom they are conferred, their families and friends. But some who accept such a sensible justification believe matters could be better arranged if the element of personal prime ministerial patronage was removed.

Sir Harold's memorable efforts would surely have been impossible if a commission of wise men and women, drawn from a representative spread of society, had been responsible for making recommendations to the Queen. It is difficult to imagine a future prime minister relinquishing voluntarily so potent a weapon of personal patronage as the honours system.

The radical case for root-and-branch reform of the honours system will be made at this year's Labour Party conference in a report from a working group on the machinery of government appointed by the party's national executive committee.

An early item on its agenda was reconsideration of a paper drafted in 1964 by Mr Wedgwood Benn, the former Lord Stansgate and now Secretary of State for Energy. In accordance with Mr Benn's views the group will probably recommend that honours should be awarded only "for acts of gallantry or examples of conspicuous merit."

It is also Mr Benn more amusing observer contemporary social scene his public image went from being a man of letters to a man of letters.

Later Sir Antony's v distinction was rewarded his promotion to GC day he was due to Buckingham Palace to Mr Benn noticed his trousers and tail coat, suit form of dress office.

On being told the reason such attire by Mr Benn at great pleasure for Sir and asked, as a keen photographer, if he might a permanent record occasion. Sir Antony, shyly, agreed and was for ever surrounded by embarrased members private office staff, star sash and insignia of the scarlet National of Mineworkers' banner. Mr Benn carries around department to depart members of the peerage. For Mr Benn is en route to perfection all the ironic contrasts in British life. In full colour, adorns the dust-jacket of a book on the history of the ground round to writing the

Tomorrow: How the

Smokers 'costing NHS £2m a week'

Mr Ennals, Secretary of State for Social Services, yesterday said the National Health Service would be saved about £2m a week if people gave up smoking.

Speaking in Newcastle upon Tyne at the start of a three-day tour of northern hospitals, he referred to the resources devoted by the health service to the treatment of cancer, heart disease and chronic bronchitis caused by smoking.

"I should think that £100m could be saved a year at current prices, and that is quite apart from the misery caused," he said.

But the minister said he was opposed to a ban on smoking.

"I think it is a matter of persuading smokers that they have to be responsible for their own health."

National Union of Mineworkers

A report in January of an interview with Mr John Gournay, a director of the National Association for Freedom, stated that the National Union of Mineworkers faced allegations of ballot-rigging in pending litigation and that another "highly important and relevant" case concerned picketing. In fact no allegations of ballot-rigging are pending against the NUM, nor is it involved in the picketing case. We apologise for the inaccuracy.

Increasing efficiency of uranium resources

By Pearce Wright
Science Editor

The inquiry into the Windscale reprocessing plant proposal goes far wider than the issues of proliferation of weapon material and risk to the public from long-lived radioactive waste.

Nuclear fuel, processed at Windscale or anywhere else (and experimental or pilot plants are being built in West Germany, Japan, India, Italy, Spain, Yugoslavia, Argentina, Taiwan, Brazil and Pakistan) will extract the plutonium to power the next generation of fast-breeder reactors which have been developed to any extent by Britain, France, Russia and West Germany.

But plutonium is suitable for other existing reactors. Hence the decision over reprocessing has very important technical-economic implications for nuclear energy. The extent of those ramifications is seen by tracing the short history of commercial nuclear power, which has yet to reach its silver jubilee.

Existing power stations use

'Squabbling' over EEC deplored in call to Scottish Liberals

From Ronald Faux
Edinburgh

Scottish Liberals will be asked to endorse a resolution critical of the way membership of the EEC has been handled when the party holds its annual conference at Arriemore on June 16-18.

Submitted by the executive, the resolution deplores the manner in which the debate on Europe since the referendum has been allowed to degenerate into an occasional squabble over trivialities.

Recognising that the most fundamental, far-sighted and intrinsic components of the European ideal are still far from achieved, or even universally recognised, the conference deprecates the half-hearted defence and consistent silence of pro-European campaigners, including many members of the European movement, and many

previously vociferous Liberals. Conference notes that the anti-EEC lobby has been far from inactive in the interim, and has succeeded in portraying the most insignificant and minor market fluctuations as the fault exclusively of the Community.

The resolution urges the party in the coming year to regenerate its campaign on Europe. The most fundamental points, it says, are: direct elections to the European Parliament; proportional representation; accelerated transfer of power from other EEC institutions to the parliament; emphasis on the political aims of the European ideal as well as the economic aims, some of which are now achieved.

In urging a new attitude towards Europe, the resolution will be asked to support a concentrated campaign publicizing

the advantages of British membership. They should also try to persuade other pro-European organizations to do likewise.

It calls on the parliamentary party to ensure that the Government's commitment to hold direct elections by June, 1978, is honoured, and that the elections are conducted by proportional representation with Scotland as a single constituency.

The conference will debate a resolution rejecting the Bullock Report, another calling for reform of Scottish local government, including the dismantling of regional councils within five years; and a proposal for a written constitution for Britain, limiting government power and guaranteeing individual rights.

Party accused of sacrificing beliefs

A shadow minister last night accused the Liberals of sacrificing their beliefs over direct elections to Europe.

Mr Norman Lamont, spokesman on industry, told a meeting in his constituency of Kingston upon Thames that the Liberals were prepared to jeopardize the prospect of European elections "for the dim and remote hope of some electoral advantage."

He said he was referring to the Government's policy statement by Mr Steel, the

Liberal leader, on the Government's decision to allow a free vote on the principle of direct elections. Mr Steel had declared: "What the Government do in the matter of free votes, we will leave to the members to decide. It is entirely their own choice; we must be patient and understand their dilemma."

Mr Lamont commented: "If the Liberals had any serious pretensions to a constructive leadership of Europe, their policy would have insisted from the start that all ministers would have to support the Government's declared policy."

He said there was a time when the Liberals claimed to be the pioneers of a united Europe. "Now, apparently, Europe is a secondary issue."

If direct elections did not take place the blame would rest with the Liberal Party, "who will have sacrificed their own long-held beliefs for the futile hope of narrow party advantage."

Nuclear study has bearing on Windscale project

From Our Own Correspondent
Washington

The United States and Japan have agreed to make a joint study of the proposed plutonium fuel reprocessing plant at Tokai Mura, outside Tokyo, to which President Carter has raised objections.

A joint statement issued on Tuesday emphasized the urgency of the study, further considered and the need to find supposed alternatives. Officials in Washington believe that the decision to investigate will be of moment in determining how President Carter's controversial global nuclear policy might be modified by practical considerations.

The point at issue is that the spent or irradiated fuel the Americans wish to reprocess is supplied by the Japanese. That fuel-origin, although not directly affects the Windscale expansion proposal in Cumbria, and the contract Britain has for reprocessing Japanese irradiated fuel of American origin.

The United States insists on

giving case-by-case approval for such reprocessing. Obviously that would not suit Britain. Making a large investment to expand Windscale only to find one contract might be approved, another rejected, would be disappointed, not to say uneconomic.

Mr Carter's objection to reprocessing, in so far as it increases the risk of a spread of nuclear weapons. But allied officials in Washington say they feel more confident, after the London summit, that the American policy may turn out to be less damaging to allied interests than at first feared. The differing energy needs of the industrial countries seem to be better understood.

Britain already performs reprocessing, among others, for the fuel supplied to the original Magnox reactor at Tokai Mura in the 1960s. However, the fuel for the other Japanese-American light-water reactors is American-supplied and subject to American control.

Under the joint study, American experts will visit Japan in the middle of June.

Father fights for full publication of report

The father of a former schoolteacher who suffered irreparable brain damage during an anaesthetic accident at Westminster Hospital, London, said yesterday that he would fight for the full findings of an inquiry into the accident to be published.

Mr John Sheehan had just heard that only a summary of the inquiry's findings would be made available to him, despite the fact that he has transcripts of all the evidence.

Only the Kensington, Chelsea and Westminster Area Health Authority, which has already received the report, will see the full 80-page version. "I intend to fight as hard as I can for full publication," Mr Sheehan said. "This endless cloak of secrecy is a bit off the mark."

His daughter, Elizabeth, aged 23, suffered brain damage when the anaesthetic nitrous oxide was given instead of oxygen during an operation in February, 1975.

She spent three months in a coma and for a while was unable to walk. Her father described her condition as absolutely disastrous. "She is able to walk but she is totally blind, has no memory, and has lost all her womanhood," he said yesterday.

She was now back in Westminster Hospital, where she was not being treated but "just being cared for."

The health authority said that when the inquiry was set up under Mr Gerald Kidner he decided to hold the hearing in private. His approach of releasing only summaries, and giving the full text solely to the health authority, followed draft guidance on procedure issued last year by the Department of Health.

The health authority has already admitted liability for the accident, although no figure for compensation has yet been agreed.

Osprey hatched

An osprey hatched on Jubilee Day at the Loch Garten

Bad buys foreign duty-free stores

By Our Consumer Affairs Correspondent

Goods bought free on holidays abroad more than in shops at home, according to today's *Which?*

The magazine, published for the Consumers' Association, compared duty-free purchases with those made in shops at home.

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Of course, our change of address won't change our cars.

But as far as our after sales servicing is concerned, we believe it's very much a move in the right direction.

HOME NEWS

American-style tactics boost Fianna Fail election hopes

From Christopher Walker
Dublin

With only a week until polling day, the Irish general election has turned into a much closer and more uncertain contest than that expected by many members of the ruling coalition who had hoped to secure an easy victory.

Much of the credit for the revival of the fortunes of the opposition Fianna Fail party must go to its leader, Mr Jack Lynch, who has covered more than four thousand miles in his election tour.

The undoubted appeal of Mr Lynch, a former Prime Minister, to the voters has been backed by a well-organized American-style campaign. Local polls indicate that it has been more successful in promoting the Fianna Fail message than the staid efforts of the Fine Gael-Labour coalition.

Fianna Fail has made great use of a new pop song, sung by one of the country's best-known performers and aimed at the 440,000 young people voting for the first time. Called "Your kind of country", its unpolished lyrics are to be heard at many election meetings.

It was recognized from the outset that Fianna Fail, the more republican grouping, would be facing a built-in disadvantage because of the Government's skilful redrawing of constituency boundaries four years ago.

Capitalizing on the country's poor economic record, particularly the large numbers out of work and the 16 per cent inflation rate, Fianna Fail is now considered to have made up much of the initial ground, although it remains the less favoured party.

Much of the argument of the coalition has been aimed at Fianna Fail's too generous election manifesto, which one leading minister dubbed "the promise factory". But among ordinary voters the television disputes over handling often fluctuating economic statistics

have as yet had little influence.

The coalition has repeatedly tried to broaden the debate into the security field. The intentions of a Fianna Fail government towards both the IRA and continuing Anglo-Irish security cooperation are regarded by many politicians as highly suspect.

Earlier this week, Mr Cosgrave, the Prime Minister, joined ministers in raising the spectre of the 1970 arms trial and the fact that Mr Charles Haughey, a former Minister for Finance, has been restored to a prominent position on the opposition front bench since his acquittal.

The speech came after attacks on Mr Haughey by Dr Conor Cruise O'Brien, Minister for Posts and Telegraphs, and by Mr John Kelly, new Attorney General.

Undoubtedly for coalition supporters, Mr Cosgrave's speech lost much of its potential impact because it was read by his son, who is 21, the week before a threat virus has kept Mr Cosgrave off the campaign trail for three days.

The good showing of Fianna Fail so far will not please the British Government, which is known to prefer a coalition victory and a continuance in office of Mr Cosgrave, renowned for his stern attitude on law-and-order matters.

Little credence is being placed by outsiders on opinion polls, which are still in the infancy as far as Irish politics are concerned. One published last week by *The Irish Times* rated Mr Haughey as the politician whom most people would least like to lead the Fianna Fail party. In the next question, voters were asked whom they would like to see lead Fianna Fail. Mr Jack Lynch had to swap down. To the detriment of commentators, Mr Haughey also succeeded in topping this section with 34 per cent of the replies.

Leading article, page 15

Union chief attacks court ruling

By Our Labour Staff

A trade union leader declared yesterday that a recent decision by Mr Justice Kilner Brown to direct the certification officer to issue a certificate of independence to Bawker Siddeley Dynamics's Hatfield employees' association "confirms that trade unions cannot rely on judges or the legal system to defend their rights".

Mr Kenneth Gill, general secretary of the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers, condemned the ruling as an attack on the unions and the nationalized aerospace industry.

"This decision can contribute nothing to the orderly development of industrial relations in the industry. Quite clearly what we require is fewer, not more, unions within the aerospace industry," Mr Gill said.

The TUC and the Confederation of Shipbuilding and Engineering Unions had made it quite clear to the board of British Aero Space that no additional union should be recognized, he said.

Polio cases confirmed

A girl aged six and a boy of three months, both of whom live at Stockport, Greater Manchester, have poliomyelitis, it was confirmed yesterday. Neither has been vaccinated, and the cases are not thought to be connected.

£30,000 for thinking to a good purpose

By Jacob Eccleston

The Cognitive Research Trust of Cambridge has been given £30,000 to study thinking. It is a serious matter, thinking, and a lot of very important people are going to be doing a lot of it. Some of them began over dinner at the Athenaeum recently.

Anyone feeling that Britain in 1977 has had quite enough of the legacy of Descartes would, surprisingly, be on the right track. Dr Edward de Bono, director of the trust, is not interested in any old thinkers but those whose mental processes have some practical beneficial effect.

Since he practises what he preaches in his various books on lateral thinking, Dr de Bono went to the people he knew were good at combining thinking with getting things done. Over dinner at the Athenaeum, which he tape recorded for later analysis, he got such people as Lord Mountbatten of Burma, Sir Ove Arup, Sir Monty Finiston, FRS, and Professor Sir Alfred Ayer to think aloud.

The idea was to find out if they thought that thinking was a legitimate field for study and whether they had any personal dos and don'ts. In a study of this sort, Dr de Bono said yesterday, it is sometimes easier to find solutions than it is to ask the right questions.

Later phases of the three-year feasibility study will involve children and will inquire whether greater opportunities can be given to potentially effective thinkers who may, under our present academic system, be regarded as failures.

The money for the research has come from Mr Sumitri Comino, who made a fortune from the design and manufacture of Dexon shelving. Like Dr de Bono, Mr Comino feels strongly that schools and universities in this country are not helping young people to think creatively or to think out what the long-range consequences of short-range solutions will be.

Having said his business, Mr Comino has set up a foundation to fund research projects. Dr de Bono, although an academic himself, is aware that he is in unfashionable territory. He pointed out that not a single British university has a chair for the investigation of cognitive skills.

Finding out why some people are more successful thinkers—active, as opposed to contemplative—has its difficulties. Dr de Bono said, since active thinkers tend to keep their thoughts locked up. There is also the difficulty attached to the conventional image of the thinker. For many people the man of action is the antithesis of the thinker.

Both Dr de Bono and Mr Comino believe that finding out why some people are better than others at thinking creatively could lead to changes in Britain's educational system and economic and social policies.

Dr de Bono is starting by harnessing the experience of good practical thinkers.

£29,608 paid for paintings

A sale of British and European paintings realized a total of £29,608 at Sotheby's in Bond Street yesterday. A painting, attributed to the English School, of "The Carleisle, the Liverpool and London Coach" fetched £850, and was bought by an anonymous private collector.

A Belgian dealer bought a set of three oils on panel of "The Kiss" by J. M. W. Turner, for £560. "A ship in distress", bearing the signature of Martin, was bought by a Dutch dealer for £380.



Museum project: Lord Downe, chairman of the newly formed Friends of the National Railway Museum, at York, is seen beside Mallard, holder of the world steam speed record. They will study the possibilities of restoring Mallard to working order.

Students attack benefit cut-off plan

By Our Social Services Correspondent

The Government's proposals to stop students drawing unemployment benefit during short vacations would cause severe hardship to at least nine thousand mature students who have already sacrificed a better income to give up jobs to return to full-time education, and would breach the principle of national insurance, which pays benefits in return for contributions according to the National Insurance Act.

Those are the main points in a detailed memorandum prepared by the union for the National Insurance Advisory Committee, which is considering draft regulations on the subject.

The NUS submission points out that the present Secretary of State for Education and Science is on record as opposing any breach of the principle of national insurance. During the committee stage of the Conservative Social Security Act 1971, Mrs Williams opposed measures to stop occupational pensioners drawing unemployment

benefit because it was a "no-win" endorsement.

The union uses a survey by the department to show that students are willing to work in vacations. The survey, published last October, showed that in the previous academic year 92 per cent of students' vacation incomes came from work, 1 per cent from grants, and 7 per cent from supplementary benefit and unemployment benefit combined.

But the willingness of students to work in vacations is being thwarted by the general economic climate the NUS says. "The Fear Office employed 100,000 students at Christmas, 1974, but half that number the following year. Last Christmas it had dwindled to 'very few'."

One of the Government's arguments is that students can qualify for unemployment benefit in eight weeks between leaving school and going to university if they take jobs paying £4 a week or more.

The NUS view the people mainly affected by the draft regulations will be mature students and those who worked for

some years before going to university. If the regulations are introduced such students would lose the right to unemployment benefit during the summer vacation as well, the NUS argues.

The memorandum describes as "paltry" the expected saving of £2.1m from preventing students from claiming unemployment benefit during short vacations, particularly in view of the large surpluses expected in the national insurance fund.

Last November the Government Actuary estimated the likely surplus for 1976-77 at £332m and for 1977-78 at £388m.

The National Insurance Advisory Committee is expected to report soon to Mr Ennals, Secretary of State for Social Services, on the draft regulations. This will account for representations made. Mr Ennals will then present the new regulations to Parliament for approval. So far no government has managed to pass through Parliament regulations that breach the fundamental principle of national insurance: benefits paid in return for contributions.

Mr Mason gets support of Mr Neave

Continued from page 1

membership of an illegal organization has been doubled from five to 10 years.

The maximum penalty under the Explosive Substances Act has been increased from 20 years to life imprisonment.

Since the SAS was first publicly sent to Ulster, early in 1976, the Government has been impressed by the success it has had in keeping down the level of IRA activity in the border territory of south Armagh.

Later its role was widened to cover the whole of the province, and much emphasis has been placed on its power as a deterrent.

It is thought that about 150 SAS men are now operating regularly in Ulster, although the figure has deliberately never been publicly confirmed by the authorities, who rely greatly on the psychological impact of the secrecy of undercover work.

A man was shot dead in the Royal Victoria Hospital, Belfast, yesterday. The victim, whose name has not been disclosed, is believed to have been a former member of the UDR in his late thirties. He had entered his car to go home shortly after 5 pm when two gunmen opened fire.

Our Political Correspondent writes: Mr Airey Neave, opposition spokesman on Northern Ireland, said that almost every measure announced by Mr Mason had been mentioned in speeches made by Conservative spokesmen during the past three years.

"I particularly welcome the increase in the maximum penalty to life imprisonment under the Explosive Substances Act to catch the managers of bomb factories," Mr Neave said.

For many months, he said, the Conservative Party had been pressing for an increase in SAS type activities by the Army and he was therefore delighted that more attention was now being paid to specialist operations.

Lord Donaldson foresees hard times for artists

By a Staff Reporter

Young people who are committed to the arts were warned yesterday that the odds are against achieving a successful professional life in the arts for all but the "most highly talented".

Lord Donaldson of Kingsbridge, Minister of State in the Department of Education and Science, who has responsibility for the arts, said young people in the arts had to be realistic, as government support for the arts was not likely to grow in real terms in the immediate future.

Although everything was being done to encourage private sponsorship, the arts at best faced a period of stable activity, an overmaned range of artistic enterprises and a constant input of young, highly qualified and ambitious students.

Lord Donaldson said: "This must be a situation which no one can contemplate without unease, but it should be met by realism, from the start."

He said already most actors holding Equity cards were "regretting" and it was extremely difficult for even a very talented and highly trained musician to find a place in an established orchestra. Young people had to be prepared for that when they left their colleges.

Lord Donaldson was speaking at a conference on the management and organization of arts and music studies in further education at Combe Lodge Staff College, near Bristol.

Wiring colour codes still to be explained

Because many people are still unfamiliar with the colour code for electrical wiring, government regulations published yesterday extend indefinitely the requirement that all domestic electrical appliances with a three-core flex should be labelled with an explanation.

The new colours for flexes were introduced in 1969. They are green-and-yellow for the earth wire, brown for the live wire, and blue for the neutral wire. They replaced green, red and black respectively.

The labelling requirements were to have lapsed on July 1, but Mr Fraser, Minister of State for Prices and Consumer Protection, has decided that they should stay in force indefinitely, because he has been advised that many people are likely to wire up plugs incorrectly and dangerously if they have no explanation of the code.

The Electrical Appliances (Colour Code) (Amendment) Regulations 1977, SI 1977 No 931 (available from Stationery Office, 10s).

Population target for new towns 'too optimistic'

Reduced population targets drawn up last month for the expansion of Northampton and Milton Keynes are still too optimistic, according to Mr Wilfred Myron, chairman of Essex Midlands Planning Council.

Mr Myron says the "jobs needed to support the forecast growth are unlikely to become available because of the industrial recession combined with the latest policies for industrial areas adopted by the Government and the Greater London Council."

In a letter of advice to Mr Shors, Secretary of State for the Environment, the council proposes a more limited rate of growth for the two new towns and to ensure that they do not expand at the expense of other areas of Northamptonshire.

Mr Myron said: "We believe the proposed population target for Northampton of 180,000 by 1990 is too high and the target of induced growth to 173,000 by 1982 quite impracticable."

WEST EUROPE

Gaullist challenge to M Giscard on EEC direct elections

From Charles Hargrove
Paris, June 8

The Gaullists in the National Assembly decided last night to demand that the French Government postpone the debate on the Bill for direct elections to the European Parliament, which is due to be held next Tuesday.

The Gaullists' decision has worsened relations between the parties in the government majority at a time when a lull was perceptible in their disputes.

Although M Jacques Chirac, the Gaullist leader, went out of his way to emphasize that he had no intention of provoking a crisis in the EEC or of causing difficulties to the Government, the decision is another direct challenge to President Giscard d'Estaing on an issue to which he personally attaches great importance and in which he feels the prestige of France is at stake.

The Gaullists' motives and the political consequences of their decision are difficult to assess at this stage. But there seems no doubt that as the debate drew nearer, their misgivings about direct elections have become more acute.

The Gaullists simply do not credit President Giscard d'Estaing with the ability or the determination to open effectively possible future encroachments on French national sovereignty. This has strengthened the influence of the Gaullists.

They have turned out to be more astute than was expected. To preserve the unity of the party, threatened by the revolt of some 30 to 40 of its members, over the ratification issue, the party leadership had originally thought of tableting an amendment incorporating into the Bill additional guarantees against an extension of the European Parliament's powers. But the President of the Assembly decided that its rules

and precedents made amendment unacceptable.

A way had to be found, therefore, not for the adjournment of the debate which would have the taste of publicizing it without the odium of a government crisis, an issue which is not a one for public opinion.

Undoubtedly, M Chirac's colleagues also have back of their minds a of satisfaction at the prospect of a lull in the government majority at a time when a lull was perceptible in their disputes.

If the Gaullists' decision is to be taken seriously, it will be a setback for the Gaullist cause. It will also be a setback for the Gaullist cause. It will also be a setback for the Gaullist cause.

For example, during official visit by Mr B. the Soviet Communists leader, later this month was planned on M Chirac is also Mayor of Paris.

The Government has been cancelled with being used as an excuse for the Gaullist's post-ponement, while involve loss of face, or cease regardless. The Gaullist's post-ponement most probably be lost even the Communists to support it.

If the Government makes the Bill a matter of confidence, it will be carried out. If the Government makes the Bill a matter of confidence, it will be carried out.

New Basque campaign for amnesty

From Our Correspondent
Madrid, June 8

The second "amnesty week" got under way in the Basque region of northern Spain today with home rulers stopping people in the streets and seeking signatures for a protest about French treatment of Basque exiles.

The campaign for an amnesty for political prisoners gave every indication of being far less bloody than the one last month, when five people died in a series of clashes.

The Government has authorized publication of the daily newspaper *Deia*, backed by the Basque Nationalist Party (PNV) and the first issue appeared today with the headline: "Exiles being expelled of Basque political prisoners."

In fact, the release of all but one of the remaining Basque prisoners, about 16 in all, was expected today or tomorrow, according to sources close to the Government in Madrid.

There was still no word of the fate of the president of the Spanish affiliate of Babcock and Wilcox, Señor Javier de Ybarra, aged 63, who was kidnapped from his home near Bilbao 13 days ago by a separatist organisation ETA.

Madrid, June 8.—The armed forces and police went on partial alert today after a mysterious wave of bombing a week before the general elections. All military and police leave was cancelled.—Reuter.

Unesco urged to defend freedom of speech

Oso, June 8.—The International Press Institute (IPI) ended its annual assembly here today with resolutions expressing grave concern at harassment of the press in many countries and calling on the United Nations Educational Scientific and Cultural Organization (Unesco) to defend freedom of speech.

The main resolution, adopted unanimously, called on the IPI's 63 national committees to urge their governments to ensure that Unesco's redrafted declaration on the mass media and other policy statements "adhere to Unesco's own constitutional commitment to the free flow of information."

The original Unesco declaration, debated at Unesco's general conference in Nairobi last November and backed by the Soviet Union, said Gov should be responsible mass media in their IPI members said to allow authoritarianism in the press in Unesco.

The resolution is before formulating which related to the was essential for Unesco professional advice operation.

The assembly "grave concern at the of the press, radio vision of Iceland, the world, particularly America, Asia and Africa said many journe been intimidated or i and many newspapers be published because of action in such c Reuter.

EEC fishing team tries coax Iceland with aid

From Our Own Correspondent
Brussels, June 8

Mr Gundelach, the EEC Commissioner for Agriculture and Fisheries, flew to Reykjavik today where he was due to be joined by Mr Judd, Minister of State at the Foreign Office, in a new attempt to break the EEC-Iceland deadlock over fishing rights for British trawlers.

A decision to send an EEC delegation to Iceland was taken by foreign ministers as long ago as April 5, but the visit took longer than expected to arrange.

Commission sources say that the EEC delegation—Mr Judd is going to Reykjavik as the representative of the Council of Ministers—will want to discuss the fishing problem in the context of Iceland's broader economic relationship with the EEC, which rests on trade agreement.

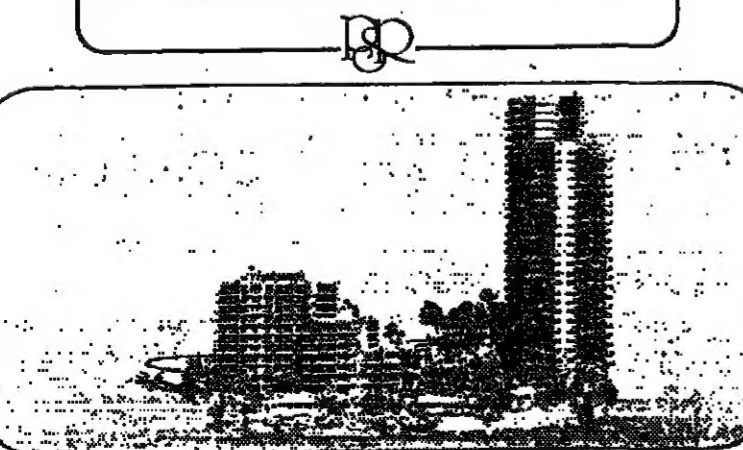
Under this agree EEC imports substantial quantities of fish from Iceland. There is no question of suspension of the sources here insist. I Community may offer lenders more financial help to them to diversify economy and make reluctant to open up fishing grounds to the EEC.

The nub of the matter while EEC catches have traditionally been the Icelanders have negative attitudes to the Community's EEC thus has little leverage.

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مركز ام لايف

Australians puzzled over identities of senators who switched their secret votes on the abortion Bill

disliked their leadership's policy of seeking agreement with the Christian Democrats. The latter's hypothesis would be surprising, the second, if true, would be not only embarrassing but historic. There is no room for either supposition.

The Christian Democrats did indeed seem genuinely surprised at the outcome of the vote. Mrs. De Michelis had been unhappily resigned to forcible approval of the Bill, as on paper there was a majority of about 10 in favour. They would at least have been able to share the blame. The vote of the Radical Party's intention to have a referendum would have been stopped. Their experience with the earlier referendum was of repelling divorce, which they not handily remains a festus for many of them.

Within the Government, there is a feeling that the vote will be a disaster for the Government because public opinion is more concerned at the moment with solving the economic crisis and the problems of violence than with the divorce law.

The reaction of Signor Andreotti, the Prime Minister, do, however, express the hope that their result will not have heartened so much the integralist wing of the Christian Democrats. The experiment of governing with Communists help.

Pig plan gives more to British producers

From Our Own Correspondent,
Brussels, June 8

A plan approved here today by the European Commission to help the EEC's pigmeat industry would give British producers an immediate 4.8 per cent price rise.

But because it will also increase import subsidies—sufficient to offset the competition from Denmark—it is estimated that the net benefit would be somewhat less, probably about 3.5 per cent.

The implementation of the plan awaits an advisory opinion of the pigmeat management committee in July.

The Commission's proposals, which were drawn up by Mr. Gundelach, the EEC Commission's expert responsible for agriculture, are designed largely to meet Britain's complaints that Danish pigmeat is being undercut by unreasonably low-priced imports of Danish ham and bacon, which benefit from EEC-financed subsidies.

In January, Britain started paying a national levy on pigmeat imports to counter the effects of the EEC import subsidies. But was last month ordered by the European Court of Justice to suspend this aid pending a final judgment on its legality.

At a meeting today, the Commission rejected Britain's claim that its pig producers

President cuts 'unending flow of arms' to Iran by barring \$4,000m jet fighter sale

From Bernard Weinraub
Washington

The United States Administration has decided against purchasing 250 advanced fighter aircraft from Iran, as part of President Carter's new policy of reducing conventional arms sales to the Middle East.

The decision means that the 250 F-14s, which are valued at \$1.5 billion, will be sold to the North American corporation.

Last week the Administration withheld the sale of 11 F-14s to Pakistan.

With active support from Navy, Northrop had hoped the sale late last year of 250 F-14s would be followed by a land-based version of the Navy fighter. As a result, proposed in September to 250 F-14s, offering to purchase of developing the weight fighter as a replacement for its F-4 fighter-bombers.

The projected sale was placed under consideration by the Northrop corporation.

According to Pentagon estimates, the modified F18, which was due to be ordered in the 1980s, would have cost \$13.8m (about \$9.2m), each, 250 would cost about \$4,000m.

One unusual feature of the projected deal was that the sale was instigated by Northrup without the express approval of the US Department of Defense. Iran was supposed to finance the development of the hand-built version of the F18, thus perhaps setting a precedent for a foreign country to develop and build aircraft components and foreign military sales programmes in the United States.

Government officials said that the sale ran counter to the President's arms transfer policy in several ways. The F18L was to have been developed especially for Iran, which seems to have been a key element in policy which bars coproduction

agreements for significant weapons.

However, Iran is not regarded to be in danger of attack from any of its neighbors. The arms policy states: "The United States will henceforth view arms transfers as an exceptional foreign policy instrument to be used only in instances where it can be clearly demonstrated that the transfer contributes to our national security interests."

The proposed sale also seems to conflict with the promise in the policy to sharply reduce American arms sales abroad, except to certain treaty allies such as NATO countries.

Under the Arms Control Act, will be binding unless extraordinary circumstances necessitate a Presidential exception, or where I determine that countries are friendly with the United States must depend on advanced weaponry to offset

qualitative or other advantages in order to maintain regional balance."

Government officials said that the sale would not fall within these guidelines and was apparently a consequence of another provision stating that development or significant modification of advanced weapons systems solely for export will not be permitted.

A Government official said that the decision was taken within a broad optical context. "You have to give a signal to Iran that they cannot just get anything they want," the official said. "We have declared Iran a good friend, but they can't be supplied with a free flowing flow of arms."

Since 1972 Iran has spent more than \$15,000 on military equipment, ranging from advanced aircraft to tanks—New York Times News Service.

ian plea
Mr Kadar
freedom

June 8.—President day told Mr. Janos is visiting Hungary and that the differences between their two countries are not block "the free of our experiences as at a lunch in the Palace, President d: "European history is that when there are blockments to the free of experiences and we peoples, and with decisive steps for differences which today even our political leaders cannot be an to the free circulation of experiences and with rather a stimulus in tion." star is here on a three which will include his sting with the Pope He conferred for two days with the Austrian government.—Register.

Refugees flocking from Mozambique need aid

From Our Correspondent.

Geneva, June 15.

Because of the very serious human problem of evacuees from Mozambique, the Portuguese Red Cross is requesting the League's emergency aid from the League of Red Cross Societies.

Evacuees are continuing to reach Portugal at the rate of 100 to 200 daily, in tropical clothing and with very little luggage.

The league expects that by the end of the summer their numbers will have reached 20,000. Some are travelling by motor car, others by rail, and others by sea.

They are the people who earlier this year were given the choice of making Mozambique their home, or leaving the country. The original plan is: deadline for them to leave was put back to June 30 and is expected to be postponed again as required.

The vast majority are recognized. But many others are

A visit to Mampso and some evacuees were having to wait for a long time at the airport. The Soviet airline Aeroflot is operating several scheduled flights, with carriers, including Delta, the Mozambique National company, in offering cheap transport to Lisbon via Moscow.

As the departures continue, the chief preoccupation of the authorities is to ensure that they do not become the problem of refugees from Rhodesia, estimated at from 30,000 to 45,000, whose requirements in blankets, food, medical care and accommodation are considerable.

While international aid from the United Nations High Commission for Refugees and other agencies is arriving, thousands of people are suffering acute privation in overcrowded camps and in the streets, with no sign of rain, and stockfish

New round of Namibia talks begin

Cape Town, June 8.—The South African Government and South African powers today began fresh talks on Namibia (South-West, Africa).

Mr John Vorster, the Prime Minister, opened the meeting, but later handed over leadership to a government team headed by Mr R. F. Botha, the Foreign Minister.

During an adjournment, the Government side consulted delegates from the South Africa-sponsored "Turnhalle" constitutional conference set up to organize Namibia's future independence.

The five Western powers—the United States, Britain, Canada, West Germany and France—also opposed to the conference deciding the terri-

They also want full involvement in the independence formula for Namibia, the Namibian nationalist organization which the United Nations recognizes as the sole legitimate representative of the Namibian people.

The main issue of the discussions is the setting up of an internationally acceptable interim pre-independence authority in the territory South Africa has administered since the First World War.

Diplomatic sources here today indicated that Mr Vorster

Mr Carter's tax return given routine audit

From Our Own Correspondent
Washington, June 8

President Carter's income tax return for 1975, the year he made the transition from being Georgia governor to businessman-candidate, is being "audited" by the Internal Revenue Service. This was confirmed today by the White House spokesman.

The spokesman, Mr. Jody Powell, said the audit was "apparently routine" and he added: "There are no allegations of discrepancies or wrongdoing being done."

He later stated that Mr. Carter wanted his returns reviewed regularly by the tax authorities in this way for every year he is in office.

All Americans who claim more than the "standard deductions" or allowances from their income tax, must file self-assessments of their income and claimed deductions every April.

A computer reviews all returns and anything out of the average is automatically signalled and usually called for "audit."

But not all newspapers. Mr. Carter's 1975 return contained a \$41,022 (about £24) depreciation deduction for a new passenger shelter bought for his warehouse and brokerage businesses in Plains, Georgia.

The last President whose income was audited, turned out disastrously was, of course, Mr. Richard Nixon.

Syrian Foreign Minister begins Beirut talks

Beirut, June 8.—Mr Abdel-Hakim Khaddam, the Syrian Foreign Minister, arrived here today and immediately began talks with President Sarkis of Lebanon which are likely to cover preparations for a summit with President Assad of Syria, political sources said.

In a statement Mr Khaddam, who once headed his country's efforts to mediate in the Lebanese war, said he would review with Lebanese leaders "national interests and all issues related to the situation in Lebanon".

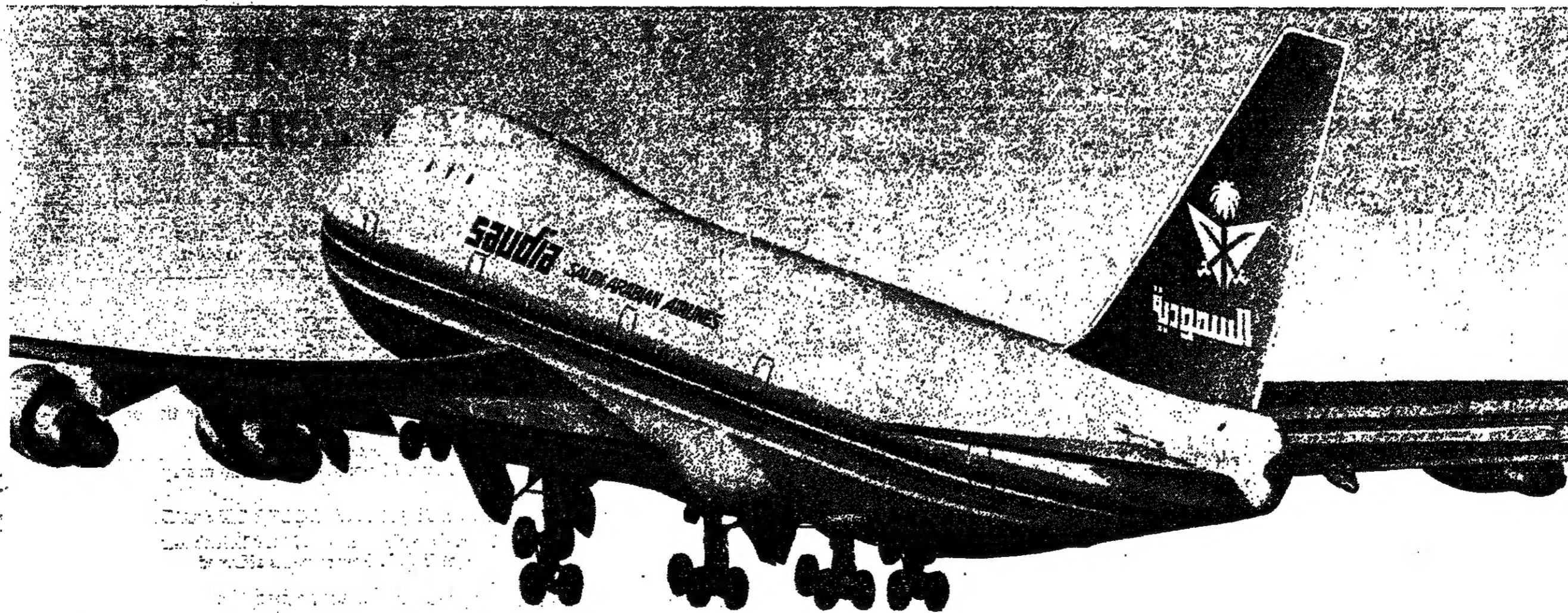
Among the proposed agenda

Polish dissident writer freed after union plea

Warsaw, June 8.—Mr Jan Jozef Lipski, a literary critic and one of six members of the dissident Polish Workers Defence Committee arrested last month, was released today, a spokesman for the semi-official Interpress news agency said.

The spokesman, who telephoned western correspondents, gave no further details, but a committee member said Mr Jan Jozef Lipski, a chairman of the official Workers' Union, had been seen by the prosecutor-general earlier today to seek Mr Lipski's release.

Reuter.



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COMMONWEALTH

Uganda announces Britons may not leave country and warns against rescue attempts

From Our Correspondent
Nairobi, June 8.—Uganda today announced a ban on Britons leaving the country.

There are thought to be about 240 Britons in Uganda; many of them are missionaries while others are business and professional people. They have already been warned by the British Government they remain in Uganda at their own risk.

Uganda radio said today that General Mustafa Adria, the Vice-President, who is in charge of the country in President Amin's absence, had given the order that no Britons should leave. Security forces were instructed to ensure that they did not leave, and particularly to watch small border crossings which are not normally used by non-Africans.

The radio added that a decision on the future of the Britons would await the return of President Amin.

The radio also reported that Uganda radar had detected a "British reconnaissance plane" approaching, but that it had turned away before crossing the border. If any such plane did enter Ugandan air space, it would be shot down, the radio said.

It was also announced that Ugandan security forces had seized a "portable British-made communications system" that had been "smuggled" into the

country. It would now be used by Uganda's security forces.

The radio warned that there could be no question of any attempt to rescue the Britons now in Uganda, as they are scattered all over the country.

A few days ago, President Amin, angered by the British Government's insistence that he should not attend the Commonwealth Conference, had threatened some unspecified action against Britain. It was then expected that the Britons now in Uganda might be barred from leaving.

Britons who remain in Uganda, however, are accused to tension and are unlikely to panic. There is no news of any restriction on their movement within Uganda, but in the present situation they would be unlikely to make any long journeys, and are more likely to remain quietly in their homes.

Our religious affairs correspondent writes: British missionary organizations with staff in Uganda decided some time ago to leave it to each missionary to decide whether to leave the country. Very few have done so and there have been no serious complaints by missionaries about their treatment reported to London, although the present situation is "causing anxiety" according to one church source.

The British church presence

in Uganda appears to be divided about equally between the Church Missionary Society (Anglican) and Roman Catholic Missionary organizations, principally the Mill Hill Fathers and the Volunteer Missionary Movement, which sends young lay people to missionary areas.

One estimate was that the total British missionary population in Uganda was not much more than 70, including a few children of husband-and-wife teams sent by the Church Missionary Society. This number includes lay professional workers such as doctors, nurses and teachers.

Both churches have put the welfare of their missionaries in leaders, leaving it to them to advise the British on their safety.

Our Business Staff writes: The Foreign Office estimates there are about 100 Britons working for commercial organizations in Uganda. However, it admits that it is difficult to assess the precise total because not all are registered with the Foreign Office and of those who are, not all may be in the country at any given moment.

Among British companies with personnel thought to be in Uganda at present are banks such as Barclays, Standard and Grindlays, all of which have operating subsidiaries there, and trading companies such as Lonrho and Unilever.



The empty chair: President Amin's place at the Lancaster House conference table opposite Mr Callaghan remained unoccupied yesterday.

Conference notebook by Michael Leapman

Eavesdropping devices tune in to the great men's small talk

Excitement over whether President Amin will or will not turn up is becoming a cherished tradition of these Commonwealth conferences. This is the third time it has happened: four years ago, before the Ottawa conference, he asked the Queen to provide him with an escort of Scots Guards. She curiously refused.

The tradition is that, at the end of the excitement, he stays away, but I would not be foolish enough to predict with certainty that it will happen this time. There are even some who would welcome his attendance, while not denying that Britain is a cleaner and better place without him.

These could easily include members of the New Zealand delegation, who would welcome any diversion from the criticism they expect to receive about sporting links with South Africa. And they certainly include members of the press who, after the first couple of days of these conferences, find it devilish hard to find anything exciting to write about.

The extent of press coverage of his arrival plans must encourage President Amin in his eccentricity. "Why should he care?" wondered one experienced reporter. "He has got the publicity he wanted any way. He throws a crumb and we all scramble for it."

This view was echoed by Mr Callaghan at the opening garden party for delegates and reporters. "Forget about Amin," he testily advised some one who asked about him.

"You are playing his game at the moment."

Persistent questioning on the topic must have confirmed the view Mr Callaghan expressed when sending his fellow leaders out of the conference room to attend the party. "Sonny Ramphal (Commonwealth Secretary-General) says it is to be a social meeting with the press. Personally, I've never known a social meeting with the press."

I was able to hear that throwaway remark of the Prime Minister's thanks to an excellent device known as an induction loop set. This was issued to enable reporters to listen to the opening ceremony, but it also plugged his into some of the informal chatter between leaders. "I have always longed to be able to overhear."

Before the opening, Mr Callaghan was performing Wilsonian feats of memory, with President Kaunda of Zambia sitting next to him. He was recalling a meeting of the Fabian Society which they had both attended in Dorchester in 1957, along with Mr Harry Nkumbula, who used to be Mr Kaunda's rival Zambian leader.

What happened to Harry Nkumbula? Mr Callaghan wondered. "Is he still alive?" Mr Kaunda, less audible, indicated that he was, but was suffering from some nasty disability. "That is a great pity," said Mr Callaghan. "He is not the first one to die."

There was still time to fill before the opening ceremony, which could not be made early because of television coverage. Mr Pierre Trudeau quipped that

they might inset a com

and Mr Callaghan an impenetrable joke ab

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There was a pipe-op

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Italian society painter,

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Commonwealth Secretar

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Mr Malcolm Fraser,

Italian Prime Minister,

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Prince Charles made

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Among the guests,

was of President An

Seychelles, Mr Judith

Minister for Overseas

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As for the picture, it

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Secretary is embarr

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that its conferees wi

be regarded as just

the jubilee sideshow,

a eight-day street party.

Seychelles ready for counter-co

Victoria, Seychelles, June 8.—President Albert René, who was brought to power in a coup here last Sunday, said today that his Government would not be Marxist but would develop a form of socialism appropriate to Seychelles.

He told a press conference that Mr James Mancham, the ousted president, now in London, might be recruiting mercenaries. If a counter-coup were attempted involving outside interference, Mr René said, the Government would if necessary call in the help of its own troops.

But he expressed confidence that the Government was now secure.

He also spoke of the 200 men who staged what newly installed

government officials call "the coup of the 50 rifles". The men had about 50 rifles when they began their action against Mr Mancham.

Mr René said that, before the coup, he realized that members of his own political party were planning some move against Mr Mancham. "I did not deny that some of them had trained in Tanzania but he did not know exactly what their plan was in advance."

His Government was now hoping for an early return to normal. But it had ordered that people should go into training with the 500-man police force because of a possible counter-coup attempt.

"We have certain information from London that Mr Mancham may be recruiting mercenaries," Mr René said.

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Mr René said S

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George Rasool, who in

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After Mr René's p

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Victoria of this.

West Papua group seeks help

Dakar, June 8.—The self-styled Revolutionary Provisional Government of West Papua New Guinea, which is pledged to fight for the independence of the Indonesian province of Irian Jaya, has appealed for help to Commonwealth leaders meeting in London.

In a plea to Commonwealth countries, Mr Bernard Tengahma, the group's Dakar-based "foreign affairs minister", asked for "moral and material assistance in our national liberation struggle".

The group's military wing attempted to disrupt the recent Indonesian general elections in Irian Jaya—formerly Dutch-ruled West New Guinea—and its guerrillas are being pursued by Indonesian troops.

The group has an information office here with its headquarters in Holland.—Reuters.

London summit to deal with sport boycott call

Nairobi, June 8.—African delegates attending the Commonwealth heads of government conference in London will support a decision of the Organization of African Unity (OAU) to continue the sporting boycott of New Zealand, a senior Kenyan sports official said here today.

Mr Mamasheh Oishebe, the administrative secretary of Kenya's National Sports Council said that, if the conference could not solve the matter, our boycott of next year's Commonwealth Games in Edmonton, Canada, would be more severe than that of the last July's Montreal Olympics.

He told reporters that the London conference, which began today, "may be the last potential hope for an end to the boycott before the Edmonton games, and it appears to carry the weight to solve the issue".

The conference has on its agenda the African boycott of

New Zealand, a result of that country's sporting links with South Africa. An African Commonwealth nation participated in the Montreal Olympics.

Earlier this year, the OAU Ministerial Council passed a resolution urging member countries to carry on with the sports boycott of New Zealand and any other country that allows sports exchanges with South Africa.

"If New Zealand delegates to the London conference can give an assurance that this will not be the trend any more, we shall waive the wholesale ban and concentrate it only on rugby. Should they not, the boycott will stay, and will be more severe in future—at the World Cup athletics meeting in Düsseldorf, West Germany, in September, and the Commonwealth Games next year—as many sympathizers of the cause against apartheid will join us," Mr Oishebe said.

Rhodesia drops power cut threat to Zambia

Salisbury, June 8.—Rhodesia today backed away from suggestions that it would cut Zambia off from the hydro-electric power of the Kariba dam in retaliation for military attacks. Mr Roger Hawkins, Minister of Combined Operations, said no such threat had been made or implied in a communiqué issued by him yesterday.

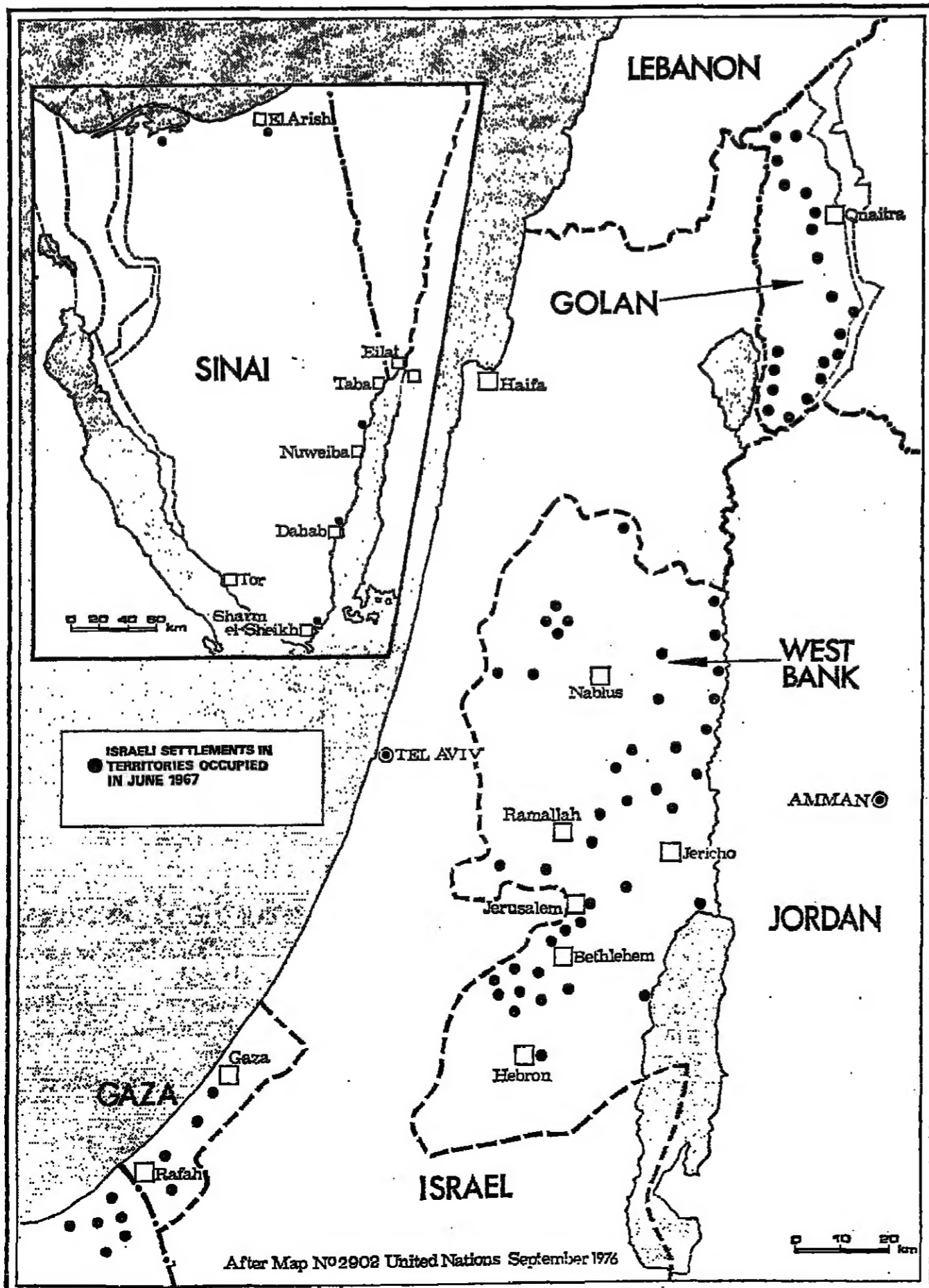
He said in an interview with the Rhodesia Herald that an inaccuracy in the statement had created the wrong impression. He apologized for saying that Zambia still drew a considerable proportion of its

power requirements from the Rhodesian side of the dam.

In his statement yesterday, Mr Hawkins accused Zambia of a "criminal act of aggression" in the rocket attack on the Rhodesian town of Kariba last Saturday.

Before the statement was issued, a Rhodesian Government official drew the attention of correspondent to the references to Zambia's dependence on the dam. If the power switches were thrown, he said, "all of Zambia's copper mines would be flooded in three days".

Is this a map of peace, or of colonisation and aggrandizement?



Every one of these settlements has been planted outside Israel on land belonging to others
Every settlement is on occupied territory seized from Arabs by military force
Every one is an act of aggression against one or other of Israel's Arab neighbours
Every one is a defiance of the Security Council and the whole international community
Every one is a violation of human rights and of the Geneva Convention for the protection of people living under enemy occupation
Every one is a "signpost to destruction"—a sure omen of more bloodshed and misery

EVERY ONE IS AN OBSTACLE TO PEACE

At Brussels in November 1973 the British and other E.E.C. Governments affirmed

the need for Israel to end the territorial occupation which it has maintained since the conflict of 1967.

The sooner that happens, the better for Israel itself, for its Arab neighbours and for the peace of the world.

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OVERSEAS

Right wing still seems to hold trump cards after Turkish election

From Robert Fisk, Ankara, June 8

The radical social change predicted in Turkish politics in the aftermath of Sunday's general election is looking hourly less likely. In a series of press conferences, Ankara today, the right-wing parties, who were thought to have lost the election, were suggesting they might soon be back in power.

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clearly regarded himself as the key figure in the post-election bargaining. Shouting and sometimes banging his fist on the table in front of him, he said neither the RPP nor the Justice Party could form a government on its own.

The Justice Party and the Republican People's Party have formed the nation again and got 80 per cent of the votes. Mr. Ecevit said he was going to bring the nation back to its normal state and to the path of progress. He said he was going to bring the nation back to its normal state and to the path of progress.

Final unofficial results were: Republican People's Party 213, Justice Party 189, Nationalist Front Party 16, National Movement Party 15, Independents 4, Republican Alliance Party 3. Total 450.

Homosexuals defeated in Miami referendum

From Peter Stratford, New York, June 8

After a much publicized campaign, Miami voters have voted by a large majority to repeal a local ordinance granting rights to homosexuals. The size of the majority came as a surprise to all those involved and it is regarded as a signal for further campaigns of the same sort in other parts of the country.

The Miami ordinance, recently adopted by Dade County, which includes the city, banned discrimination in housing, jobs or public accommodations based on "affectional or sexual preference". It was challenged by "Save Our Children, Inc.", a group headed by Mrs. Bryant, which collected enough signatures to force a referendum.

The ordinance was defended by local homosexual groups, with backing from the big business community in San Francisco, New York and elsewhere. They maintained that it was a matter of basic civil rights for them and they did not wish to indicate Mrs. Bryant's style of campaigning, with its references to Old Testament teachings.

In statements after the vote, homosexuals said they would continue to resist similar campaigns elsewhere and compare their situation to that of the blacks in the south. At the Fontainebleau Hotel, in Miami Beach last night, where they had hoped to have a victory celebration, they sang "We shall overcome", the traditional civil rights song.

They also commented bitterly on the attitude yesterday's vote reflected. Miss Jean O'Leary, executive director of the National Gay Task Force, said it had provided "all the evidence anyone could need of the extent and virulence of prejudice against lesbians and gay men in our society".

Mrs. Bryant said the campaign was directed not at homosexuals themselves, but at homosexuality, which she described as "dangerous to the sanctity of the family, dangerous to our children, dangerous to our freedom of religion and freedom of choice, dangerous to our survival as one nation under God".

New York, June 8.—Homosexuals shouting full rights for gays paraded in San Francisco and New York early today to protest against the repeal.

Reuters.

Europe may get Cruise missile

Ottawa, June 8.—Eight Nato defence ministers today began two days of talks on providing the 15-nation alliance with a deterrent to the latest Soviet nuclear-tipped ballistic missiles.

The talks will focus on the American Cruise missile as a possible Nato weapon.

Known as the "Doomsday Doodlebug", the pilotless Cruise missile is virtually undetectable by an enemy, can carry a big nuclear warhead and has pinpoint accuracy.

Leaving Russia

Moscow, June 8.—Mr Vladimir Sokolov, a Soviet literary critic and his journalist wife, who last month formed a unofficial news agency, said today they were leaving the Soviet Union tomorrow after a series of sudden decisions let them emigrate.

Cyprus mandate

New York, June 8.—Dr Kurt Aldheim, the United Nations secretary-general, today recommended a further six-month renewal of the United Nations peace-keeping force in Cyprus.

errorists killed

San Miguel, June 8.—El Salvador security forces killed 14 guerrillas including two women, today as they searched for soldiers, a Government spokesman said.

Labour Party visit

Bucharest, June 8.—A British Labour Party delegation headed by Mr Ron Hayward, the general secretary, arrived here for a goodwill visit.

All species of whales are safe, scientist says

Canberra, June 8.—All species of whale throughout the world were safe from extinction, Dr Rodney Allen, the chairman of the scientific committee of the International Whaling Commission, said today.

There was absolutely no truth in the claim that the blue whale species were in danger, he declared.

The scientific committee, which is meeting in Canberra until the end of next week in private sessions, is looking into whale population trends. It will then advise the full commission when it meets here on June 20 to decide the whale-hunting quotas for next season.

Dr Rodney Allen, who is the head of the division of fisheries and oceanography of the Commonwealth Scientific and Industrial Research Organisation, said there was a common misconception that whales were becoming extinct.

"The grey whale was hunted for many hundreds of years and is still present in other parts of the world," he said. "The only other species which could possibly be a problem is the right whale and the bowhead whale in the North Atlantic, as their levels are quite low."

Fahmi mission to Moscow

Moscow, June 8.—Mr Ismail Fahmi, the Egyptian Foreign Minister, arrived in Moscow tonight for talks with Mr Gromyko, his Soviet counterpart.

The Soviet refusal to reschedule Egypt's debts will be an important topic.

Mr Fahmi said upon arriving that his visit was "the result of a mutual striving to co-operate". However, Arab diplomatic sources in Moscow were pessimistic about the chances of achieving a significant improvement in Moscow-Cairo relations.—Reuters and AP.

Mr Mitchell to begin his jail term in Alabama

From Our Own Correspondent, Washington, June 8

Mr John Mitchell, the former Attorney-General, will begin his 30-month to eight-year prison term in a small jail in Alabama today.

There has been some concern at his possible fate at the hands of the prison authorities, many of whom were sentenced while he was the country's chief law-enforcement official.

American prisons are violent places at the best of times. There was never any suggestion of sending him to a place like this.

All the Watergate criminals imprisoned earlier went to open jails, and one of them, Mr John Edwards, is still in New Mexico. Mr H. R. Haldeman, Mr Nixon's former chief of staff, for whom no special precautions are necessary, will go to Los Angeles in California.

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Congressmen face questions on Seoul bribes

Washington, June 8.—The House of Representatives ethics committee decided today to ask all present and former members of the House for information on their relationships with the South Korean Government or its agents.

The committee is investigating allegations that congressmen were bribed in an attempt to influence decisions bearing on South Korea. The Justice Department is also investigating.

Meanwhile a former State Department official alleged that the Nixon Administration covered up Korean efforts to buy influence in Congress. Mr Donald Rumsfeld, head of the Korean affairs section from 1970 to 1974, said that under President Nixon the department was "pessimistic about the chances of achieving a significant improvement in Moscow-Cairo relations.—Reuters and AP.

Leading article, page 15



Mr Chip Carter, son of President Carter, and his wife, Caron, with a yeoman warder at the Tower of London yesterday. The couple, who were invited to London by the Prime Minister for the jubilee, had lunch with Prince Charles at Buckingham Palace.

Filipinos are ordered to plant a tree a month

Manila, June 8.—President Marcos ordered every Filipino to plant at least one tree each month for five years or face severe penalties.

Mr Marcos issued the order in a martial law decree which takes effect this month and applies to "all able-bodied citizens at least 10 years of age".

President Marcos said it was every Filipino's duty to develop the country's natural resources. More abundant resources would prevent floods, droughts, and erosion, increase the water supply, expand farm productivity and meet the ever-increasing demands of our exploding population.

A police spokesman said the severe erosion of forest resources throughout the country had inspired the promulgation of the decree.

Under the decree, the trees may be planted in back yards, parks, plazas, schools, markets, road sides, forests and pasture lands, mineral and resettlement areas and military reservations.

The planter is required to take care of his tree for at least two years, and replace it if it dies or is diseased or defective. People who do not comply face fines of up to 1,000 pesos (P75) or they may be stripped of some citizens' privileges. They may be disqualified for five years from practicing their professions, from holding public office, or from graduating from school.

They may also be debarred from taking government examinations for the practice of such professions as medicine or law, or for employment into the civil service.

A presidential palace spokesman said guidelines would be issued shortly to enable a citizen to identify his own tree, prevent others from claiming it.—Agence France-Press.

Washington, June 8.—In an unusual public admission, President Castro has stated that there are "maybe 2,000 to 3,000" political prisoners in Cuba against more than 15,000 held at one point in the early years of the revolution.

Dr Castro made the disclosure in a recorded television interview with Miss Barbara Walters, the American Broadcasting Corporation news correspondent. It is due to be broadcast tomorrow night.

The Cuban leader said the prisoners were being detained "because of differences of opinion on revolutionary causes". At one point, he said, "when the activity of the United States was more intensive against Cuba, we reached a point of having more than 15,000 prisoners".

So far as is known, this was the first time that Dr Castro has publicly discussed the numbers of political prisoners held in Cuba since 1967, when in an interview with an American reporter he put the figure at 20,000.

In response to a recent Congressional inquiry, the State Department estimated that there are at present between 20,000 and 15,000 political prisoners on the island.

President Castro gave the ABC interview during the week of May 16, about two weeks before the United States and Cuba agreed to exchange diplomatic envoys for the first time in 16 years.

Castro admission on political prisoners

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He indicated that progress towards the establishment of full diplomatic relations would take a long time. "I don't even think they could be reasonably expected during Carter's term," he said. "Maybe between 1980 and 1984."—AP.

Chicago, June 8.—A close associate of Mr Richard Daley, who was Mayor of Chicago for more than 20 years, until his death last December, has won an overwhelming victory in the election to choose Mr Daley's successor.

With counting of the ballots in yesterday's election still incomplete, Mr Daley had won 77 per cent of the vote. His nearest rival was Mr Dennis Block, the only Republican on the city council, who won 21 per cent.

Mr Daley's victory is a sign that the powerful Democratic Party machine in Chicago has survived the death of Mr Daley. Mr Daley is not a candidate for the job, but he has been at the heart of the party machine for some years, and party regulars made every effort to bring out the vote for him.

In fact, once Mr Daley had won the Democratic primary election in April, defeating some 400 challengers, within the party, the election was regarded as a foregone conclusion. Mr Daley did little campaigning.

Mr Daley is a Croatian-American who moved to the city council in the district in which Mr Daley lived. A spokesman man, with a good knowledge of where the levers of power are in Chicago, he became acting mayor on Mr Daley's death after announcing that he would not stand for election when that time came.

He was subsequently persuaded to change his mind, with the result that he now stands at the head of a political organization of considerable power.

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Russia sees Mr Carter as 'enemy of détente'

Moscow, June 8.—The Soviet Union indicated today that it now regards President Carter as aligned with "enemies of détente" and accused him of trying to undermine the agreements reached at the 1975 Helsinki conference on European security.

Two commentaries by Tass news agency said the Soviet Administration's report to Congress on implementation of the Helsinki agreements also suggested that Mr Carter was responsible for "gross distortions" in the document.

The Tass commentaries—one of which was that Mr Carter was "personally responsible for gross distortions" about the Soviet record on human rights—were the most virulent yet directed at the President by Moscow.

One of the commentaries, which was printed today by Pravda, said the content of the President's report—prepared by the State Department—"leaves no doubt that it has been compiled in the spirit of 'détente'".

This was the closest the Soviet Union has come to suggesting in several months of exchanges with the new Administration that it was working to ruin détente.

The report, it said, "grossly distorts the state of affairs in the USSR as regards freedom of conscience, religion and the activities of foreign journalists while ignoring human rights violations in the United States itself".

The document, presented to a congressional panel on Monday by Mr Vance, the Secretary of State, said in essence that the communist countries had failed to implement the humanitarian provisions of the Helsinki accords.

The vehemence of the two Soviet commentaries—one written in Moscow and the other in a Tass report from Washington, is seen as reflecting Soviet concern over the Helsinki review conference, opening next week in Belgrade. In recent weeks Soviet officials have been insisting that the review conference take "a positive approach" and not become involved in arguments over human rights and related issues.

Both commentaries repeated what is becoming a theme of the Soviet offensive against the United States: that American and Western agents.

The second Tass commentary accused President Carter of openly encouraging and kindling "a malicious publicity campaign" against the Soviet Union, "the bourgeois press" over alleged Soviet violations of human rights saying "such a stand can only be seen as another attempt to interfere in the internal affairs of the USSR".

The Tass commentary also said that the Soviet Union was "not prepared to change communist states but could have an adverse effect on Soviet-American relations and affect détente as a whole".—Reuters.

Leading article, page 15

Moscow refuses visa to British church delegate

The Soviet Embassy in London has refused to issue a visa to the Rev Paul Oestreicher, chairman of British Amnesty, who was to have attended a conference in Moscow as part of a delegation from the British Council of Churches.

Mr Wolf Mendel, of the Society of Friends, the council's other representative, has withdrawn from the conference in protest. The Bishop of St Albans, the Rt Rev Robert Runcie, who is attending the meeting as the personal representative of the Archbishop of Canterbury, intends to raise the issue with the Soviet authorities in Moscow, the council said.

The Rev Harry Morton, general secretary of the council, has written to the Soviet Ambassador stating that the refusal of a visa to a British church representative was "a serious breach of the spirit of the Helsinki agreement".

Comecon countries in Warsaw talks

Warsaw, June 8.—Prime ministers from the nine member states of Comecon, the Communist economic grouping, will hold their annual summit in Warsaw from June 21 to 23.

It was reported.—Reuters.

New clues in 1971 Greek murder of British girl

From Our Correspondent, Athens, June 8

The Athens prosecutor who is looking into evidence that could justify the reopening of the Ann Chapman murder case, is now investigating clues involving possible eyewitnesses. Ann Chapman, a British freelance journalist, was murdered on a visit to Greece in October, 1971.

Mr George Theophanopoulos, the prosecutor, has acquired a signed statement by an English-educated Greek student who asked that his name should be withheld. The student delivered the statement in person to Mr Alexandros Lykouratos, the Athens lawyer, acting for Mr Edward Chapman, Miss Chapman's father, some 10 days ago.

The statement names two persons said to be employees of the Greek water company, who were alleged by a fellow worker to have seen at around midnight on the day of the murder the body of a girl lying on the back of a "probably grey" Volkswagen car. The car was parked near the field where Miss Chapman's body was found 43 hours later.

The two men had been afraid to investigate so they went to their work near by. On their way back they saw the car again, but the body had been removed. They recognized Ann Chapman a few days later from photographs published in the press after the discovery of the body.

The student's statement is dated May 6, 1976. The author, who was then in England, said he too had been afraid to deliver it to the authorities.

Mr and Mrs Edward Chapman visited Athens last month to press for a retrial of Mr Chapman's case. The former prisoner guard who was sentenced to life imprisonment for killing Miss Chapman.

SPORT

Tennis

Grass brings Vilas to earth with a bump

By Rex Bellamy, Tennis Correspondent

Guillermo Vilas, of Argentina, won about £22,500 last Sunday when he became French tennis champion after beating on clay in seven matches on the day courts of Paris. He won £195 yesterday when he was beaten 6-2, 6-2 by Dan Gullone of Western Australia in the tournament sponsored by John Player on a grass court in Nottingham.

It is difficult for anyone to make a rapid transition from clay to grass. For technical reasons it is particularly difficult for a player like Vilas, who has a powerful swing and his opponent for imposing heavy topspin to a high-bouncing ball. On grass there is seldom time for a big swing and the ball usually comes through fast and low. Vilas could also be accused for some sort of emotional reaction in his first match after winning a leading championship.

Gullone, aged 25, is one of two twin brothers who play to a similar standard and are causing confusion both on and off the court. He is right-handed and Tom is left-handed. Other than that, there is no discernible difference between them. The twins, who were born by one set to one in Paris and reached the final of last week's Wimbledon tournament, which gave him hopes of grass court competition and, consequently,

left him better prepared than Vilas for yesterday's match.

The Beckenham winner, Mark Hammond, last year's Australian champion, never "fired" well enough to suggest that he would subside such a gifted player as Raul Ramirez, Argentine, who was named with helpful hostility.

The next seeded player to lose was John Alexander, beaten by another hard-playing Argentine, Julia Diller. A former captain of the British Davis Cup team, Diller tends to become rather finicky when Wimbledon is in the offing, trusting opponents and form. The game caught through the "nothing to declare" channel while loaded with illegal goods.

The next immigrant under suspicion will be the sleepy-severe Bob Lutz, who is so sure that he can outlast anyone of having exhausted his torso in enough business to open a jewelry business. In a game where Lutz's knees seemed to be disintegrating under the strain, he happily let himself be restored to fitness and form. The game caught through the "nothing to declare" channel while loaded with illegal goods.

Another seed with problems was Jaime Yzuel, who had to win 23 games in order to shake off Jan Norberg, of Sweden, aged 21, who has had only a year on the international circuit. Yzuel won eight games in all three sets but was beaten by Christopher Lewis.

Yesterday's results at Nottingham

First round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Second round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Third round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Fourth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Fifth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Sixth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Seventh round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Eighth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Ninth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Tenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Eleventh round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Twelfth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Thirteenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Fourteenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Fifteenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Sixteenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Seventeenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Eighteenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Nineteenth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Twentieth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Twenty-first round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Twenty-second round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Twenty-third round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2.

Twenty-fourth round: Vilas (ARG) beat Gullone (AUS) 6-2, 6-2, 6-2. Gullone (AUS) beat Lutz (USA) 6-2, 6-2, 6-2. Gullone

Ronald Butt

Behind the cheers in the streets, a quiet note of protest

England is not much given to self-expression. The English people are, as a rule, too self-conscious, and foreigners find us strangely inarticulate as a nation. They can't make us out, and wonder whether we are very stupid or very deep, and generally agree that we are both. We can't make ourselves out, and are surprised now and then—amazed even—by such sudden outbursts of merriment, when we thought ourselves unemotional, and by occasional manifestations of national unity, when we believed we were at sixes and sevens.

That paragraph, I think, is a fair description of what has happened this week, but the words are not by me, and not about this jubilee. They were written by Sir Philip Gibbs, a distinguished journalist of his time, about the jubilee of King George V in 1935, and I have taken them from his book, *England Speaks*, which he described as a "panorama of the English scene in that year".

Then, as now, the emotion, the revelries and the parties in the streets of Britain took everybody by surprise. Then as now, behind the pleasantries of the immediate scene, there were deep causes for concern including unemployment, and the general state of the economy, national and international.

There is a fascinating account in Gibbs' book of the warning words spoken to the author by the economist Sir George Paish on the likely consequences of the "application of temporary palliatives" to the breakdown of world trade and credit, and

of tariff barriers as "the root cause of war... People like Germany and like Japan must either trade or fight for the sources of food and raw materials." There was, not least, the overhanging fear of the war that was not in the end to be avoided.

Our own not altogether different anxieties today are too familiar to need listing. And once again the people have made a spontaneous demonstration towards the monarch in a way that makes it impossible for anyone to say that this was got up by the media of communications, or by anyone else.

The faces of the people wherever the Queen walked among them spoke for themselves. One does not see much of what I would call real happiness in the streets these days, but there is no other world for what the television cameras recorded on Tuesday.

It was the sort of happiness that had nothing to do with mass hysteria, nothing to do with class or snobishness. Nobody had drilled it into existence by slogans, wall-newspapers, force or little blue books. It was spontaneous—but why?

What I think the jubilee has shown is that there exists in the people as a whole a real wish for a society less dominated by the characteristic intellectual and spiritual destructiveness and derision of our time. These are vices that most people instinctively reject and resent, but for the most part, they are helpless, lacking articulate leadership, to resist them.

The people's acclaim of the Queen

is, I suspect, in part a protest because they recognize in her the embodiment of more abiding standards of responsibility which they wish, for the most part, to aim at, but which are elsewhere so often derided.

Important though the Queen is consciously and historically, this was above all a personal celebration, and I think myself that the affection shown for the Queen on Tuesday can fairly be seen as a statement by the people that they too are on the side of the abiding values which she exemplifies.

It so happened this week that I was reading some far-fetched remarks from a broadcaster on a London school who also, coincidentally after 25 years of remarkable social change, happens to be retiring. This is what he wrote.

"Total exposure to the media has removed the distinction between the adult's world and the schoolboy's. Few of the homes from which our boys come can now protect them from what I consider the vulgarity of the media... There are few homes where swearing, coarse humour, permissiveness and violence intruded on the sanctity of childhood. Home and school did not stand against pornography and the cheap and the nasty until the paperback and magazine counter displayed it."

There you have a simple statement of what ought to be recognized as obvious. But it is a statement, simply, and the intellectual fashion is, in any case, to regard none of these things as really important,

except perhaps violence—for which an exception is often made, that seems not much more than a matter of form.

Yet common sense and natural instinct would condemn the rest of the list as well, because in the end all these things stand for the triumph of a kind of cruelty, even if it is only verbal, over gentleness and dignity. You don't, after all, hurl insults, or obscenities at people as a kindly gesture. But when that is a staple fare now offered as at any rate one normal pattern of adult behaviour on television, it is hard to blame the young if they emulate it.

Nor do I suppose that everybody is wholly unimpressed by the proliferation of the kind of degrading public entertainment which now proliferates and diminishes humanity.

Yet for the majority of people, the old values die hard in these matters, just as most of us still wish (given a chance) to do their duty at work in the community, and still have a sense of patriotism. These are things that the intellectual paragon finds hard to understand.

Or do they understand and fear it? Last week the *New Statesman* produced an anti-jubilee special, a pathetic and splintering malevolence which would not surprise anyone acquainted with the moving spirit of that journal. It was something quite separate from any rational case for republicanism. It was a series of embittered and jealous personal attacks on the Royal Family.

The Duke of Edinburgh was

attacked in terms that would, if not so silly, have been amazing if applied to a would-be political enemy. The Queen was attacked by means of quotations of rude words from children's essays which told more about the influences to which the children were subjected than about anything else.

She was even attacked for her interest in the kind of sports she enjoys, and for an alleged lack of interest in the achievements of our contemporary arts. (Would the same charge be directed at a football crowd?) Yet if the Queen were unsympathetic to that very substantial area of the new culture which is both destructive and humanly demeaning—well, so are very many of her people who are far from being philistine, but who, for the most part, have to depend on the great artistic achievements of the past.

I think that the people this week have made a protest in a very specific way which unconsciously rejects a great deal of the tawdriness of our time, and by saluting the Queen and her family stakes a claim to more abiding values. They do so because they are, for the most part, not representing their own aspirations.

I suppose, therefore, that we should not wonder that the intellectual left should splutter and rage. They must feel greatly let down by the common people. They must feel quite lonely. For the rest of us, I think we have learned something about the mind of the nation, though whether we are able to profit by it is another matter.

After the scandals, a new wave of optimism sweeps West Berlin

The pall of gloom, which descended on West Berlin recently as it wallowed through simultaneous external and internal crises has now begun to make way for a new optimism in the embattled city.

Just as a well-orchestrated East German campaign to accentuate the isolation of the walled western enclave reached its peak, the city administration finally collapsed under the weight of a long series of political scandals. Even the 2,000,000 crisscrossed West Berliners found this depressing coincidence of external pressure and internal disarray hard to take.

In rapid succession, the East German imposed visa charges on foreigners and road-use fees on West Berliners visiting East Berlin, abolished border controls between East Berlin and the territory of East Germany proper, scrapped specially granting East German visas before they could be applied in East Berlin, and removed the phrase "Greater Berlin" from the name of the East Berlin municipal government. In new treaties with Russia, Poland, and the East Germans obtained the inclusion of an article emphasizing that West Berlin is not part of West Germany and cannot be governed by it.

Internally, corruption, nepotism, complacency and factionalism eroded the West Berlin administration of Herr Klaus Schütz, the governing mayor, to such an extent that he was forced to resign, even though he was personally blameless.

The answer to the governmental crisis came with the election of Herr Dietrich Stobbe as governing mayor. At 39, he is the youngest man ever to hold the post, and he showed, in an interview with *The Times*, a quiet but confident determination to put the city on a new course.

He began by importing new blood from Bonn for his Senate (Cabinet) and departing from precedent by declining to stand for the city chairmanship of the ruling Social Democrats. He told me openly that his aim was to win the West Berlin election in 1979 by good government, and not by winning elections by sowing discord in party committees.

He said he would use the extra time thus gained to persuade all interest groups to work together for the city's future. "I want to be judged on what I do, not what I say."

The prospect of a new start under a young and vigorous, if not over-ambitious, governing mayor would of itself have done something for morale. But the city in general and Herr Stobbe in particular received a large and unexpected fillip from outside just as the new men were moving into City Hall.

A massive conference on Berlin in London on May 9, the leaders of the United States, Britain, France and West Germany issued a powerful, fully-worded statement warning against unilateral attempts to change the status of the city as a four-power responsibility. This was in response not only to the East German moves but also to the parallel and hardly coincidental Soviet renewal of the claim that the 1971 Four-Power Agreement over Berlin concerned only West Berlin.

The force of the declaration clearly took the Soviet bloc by surprise, reducing the Russians to silence.

All this delighted Herr Stobbe, who clearly saw it as a good omen for his new role in one of the most difficult of political jobs. Not only had it shown the will of the three western powers who retain sovereignty in West Berlin to stand up for it, it had also underlined the importance of West Germany's support of West Berlin.

"The London declaration reminded us that we are not alone," he said.

The resurgence of internal self-confidence and external commitment does not, however, mean that West Berlin's prob-

APPRO

The growing urgency for shared schools in Ulster

I do not know of any measures which would prepare a way for a better feeling in Ireland than uniting children at an early age and bringing them up in the same school, leading them to commune with one another and to form those little intimacies and friendships which often subsist through life.

James Warren Doyle, Roman Catholic Bishop of Kildare and Leighlin, 1826

Almost a year has now passed since the former Northern Ireland Secretary, Mr Merlyn Rees, assured an audience of Irish politicians, civil servants, and many individuals in the life of Northern Ireland, gathered at the Oxford Union, that he was willing, indeed anxious, to convene a conference to consider proposals for integrated schools in Northern Ireland.

All present were surprised that he should have chosen to break the self-imposed embargo placed on this crucial issue by successive British government ministers. In a speech at the 1970 Labour Party conference, had indicated with any force previously such public support for the idea. So Mr Rees's assurance was welcome. It suggested a long overdue change of direction in government approach to Northern Ireland, but the assurance had been given at the end of an indignant, impassioned speech. One wondered what weight could be placed upon it.

The answer is, however, absolutely none. During the interim period, Northern Ireland ministers have engaged in some half-hearted, perfunctory discussions on the subject. The message is that Labour ministers in Northern Ireland regard Mr Rees's assurance as a distinct embarrassment, and not an opportunity for the creative development of the present system of direct rule.

Direct rule is likely to last for some time, widely accepted though not enthusiastically supported. It is a tragedy, therefore, that in this period the opportunity to create a basis for radical social change is neither appreciated nor grasped.

No one who knows the attitudes prevalent today among young children, as well as the

hardened teenagers of Belfast and Londonderry, will be satisfied by the list of arguments put up by nervous government ministers or ultramontane Roman Catholic prelates against the case for even the most modest experiment in integrated schooling in Northern Ireland. Why should a religiously based approach be accepted? There is clearly substantial support within both communities for the principle of shared schools.

The schools issue is a particularly delicate one in the history and identity of Northern Ireland. Ever since Partition in 1921, the schools have provided a source of conflict between the communities as well as a forum for the dogmas of zealous Protestantism and traditional Catholic clerics alike.

It must be said that the academic achievement levels both in schools transferred to the state by the Protestant churches and in Catholic schools have long been consistently high, flourishing greatly after the reforms which followed the Butler Act in Great Britain. Since 1947 transferred Protestant schools have become more free of church control, and they have sought to operate an open admission policy. But this openness has been one of theory, not translated into practical results. Side by side the Catholic maintained schools have grown in strength. After lengthy and hard campaigning for increased financial support from public funds, the battle was won and the Catholic schools were able to forget the earlier uncertainty posed by their financial difficulties.

As financial and academic differences have become less apparent, so, correspondingly, has the influence of the two school systems on their pupils become more pronounced. New teachers within both systems are questioning the situation. Recently the Ulster Teachers' Union, a body mainly representative of the controlled state schools which were created by the Protestant churches, has made renewed demands for integration. In the past such demands have often seemed token, but they are now displayed with new urgency. The example of Mr John Burrell, the headmaster of Cloyneview High School in Co Tyrone, who

has over a period of years successfully demonstrated that integrated schooling can work in practice, has become a focus of attention.

Ultimately, however, it is the known reaction of both Protestant and Catholic in Northern Ireland to the idea of integrated schooling which provides the greatest obstacle to the greatest hope. Opinion polls conducted during the past 10 years have consistently shown a high degree of support for the idea of integration.

But, in the same way, particularly in the worst affected areas of Belfast and some other urban centres in Northern Ireland where the two communities are divided by a "peace" line, an integrated school is not a practical immediate alternative but might well be a battle-ground. There are other significant obstructions. Apart from the hostility of the Catholic hierarchy, who have repeatedly claimed that integration would be a threat to the right to denominational schools existing at all, it may be expected that there would be hostility in some quarters (because that is to be expected), but rather the strength of the opposing factions. The opinion polls suggest that only a minority would actively support such opposition.

The most potent weapon against the idea of integrated schooling remains the reaction of the Irish Catholic hierarchy. The traditional Catholic population acknowledges that separate denominational schools is in keeping with Canon Law principles. The Canon law objection is an important one. It must be recognized that the Catholic Church throughout the world has always been strong in its work to preserve its schools. This approach, however, is by no means as monolithic or absolute as it earlier seemed.

Cardinal Hume's support for integrated schooling in Northern Ireland, voiced this year in a television interview with Ludovic Kennedy, has opened up gaps. Many devout Catholics question the relevance of the Canon law argument to Northern Ireland today. Certainly, any new integrated schools in Northern Ireland

would need to be pioneered against a clear acceptance that the right to existence of the Catholic schools as such will not be threatened. Furthermore, any new schools must be shared schools and it would be critical that in matters of curriculum, appointments and access, the Catholic perspective viewpoint would be taken fully into account.

The potency of the Irish Catholic hierarchy's argument lies, of course, in questioning the loyalty of their flock. Few Catholics in general, and all one which has endured the communal tensions of Northern Ireland, can be expected to feel confident about challenging their spiritual leaders. But the Northern Ireland Catholic population is by no means cohesive or sacrosanct in outlook in this matter.

Thus, some parents, admittedly mainly middle-class living in the Belfast and North Down areas, have been prepared to resist such pressures and are sending their children to existing "state" schools. It is clear they would prefer to send their children to a new type of shared school. In response to this action the Bishop of Down and Connor, Dr Phelim, authorized that confirmation of the children involved be refused. Such a response might be justified if the parents' action was based on a proper test of the children's knowledge of their faith. However, no such test was carried out. The naked truth is that the parents' action was not acceptable as it challenged traditional vested interests.

The late Cardinal Conway consistently argued that the separate school system did not cause the Northern Ireland troubles and divisions. He was undoubtedly correct. But his argument sidestepped the real question. It is not any answer to the question whether a shared integrated school system would help in some measure to heal community divisions to stand up for it. It had also underlined the importance of West Germany's support of West Berlin.

The resurgence of internal self-confidence and external commitment does not, however, mean that West Berlin's prob-

Brian Garrett

Dan van d



Moluccan terrorists: is there enough pressure?

Are they being too soft on the gunmen?

The South Moluccan gunmen holding 56 hostages in a terrain school in northern Holland have now established a dubious record. On June 7, as the siege entered its sixteenth day, it became the longest such siege in Dutch criminal history. The Dutch authorities have admitted that the terrorists are much tougher than any they have faced before. The gunmen have treated their hostages rather better than have others in previous situations, but are proving to be tougher in negotiations.

The question inevitably arises: are the authorities conducting the siege as they should? Many experts on brainwashing are becoming very worried at the turn events have taken. They have every reason to be concerned. It is one thing to keep the situation off the boil and try to ensure that events run quietly for those who have been kidnapped, but it is quite another to allow the terrorists to fall into a complacent frame of mind.

In this situation pressure must be continually applied to the kidnappers. All the time the gunmen must be told that their situation is absolutely hopeless. It must be made quite clear to them that if there is any shooting they themselves are almost certain to be shot as soon as it starts. It can be

bioted that if they give themselves up they might possibly get a lesser sentence as a trial for their kindness to their sick captives: otherwise their life is death or a lifetime in jail.

Human and animal brains, however, the psychological stress is great enough and provided that it continues incessantly, will always become more and more suggestible under such circumstances. Finally, just as the exhausted rabbit turns and runs straight into the mouth of the pursuing stoat, so the kidnappers' brains will go into reverse and they will walk out and give themselves up.

This technique could and should be applied in the Dutch situation. The present terrible danger in this long Dutch siege is that unless this state of exhaustion is reached soon, some of the captives' minds may become disordered before the kidnappers and they will act in a way which means that shooting starts, and perhaps spark off a bloodbath.

The psychological methods used on the kidnappers must be as intensive and continuous as possible. There must be no restful lulls and useless coar-

Dr William Sargent
The author is Honorary Consultant Psychiatrist at St Thomas Hospital, London.

The rich aromatic, bittersweet chunks of Frank Cooper's Oxford Marmalade have made the British breakfast a matter of envy the world over. Ever since Mrs. Cooper filled the first jars in 1874, the men of Oxford have spread its fame in the tropics, the New World, as far as the Antarctic and Everest itself.

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A Night at the Opera, or, the Strangler Strikes

It is too early yet to talk of dying gasps, but the Arts Council's grip on the windpipe of the English Music Theatre is visibly tightening. The company is now at Sadler's Wells, and its on-stage nerve betrays its gloomy prospects.

EMT, which fills theatres to 75 per cent capacity, is having its Arts Council subsidy slashed from £269,000 to £100,000. So it will have to drop the commercially remunerative "standards" from its repertoire—Albert Herring, Magic Flute and the like—and offer only experimental works.

I have talked to both the Arts Council and the company and a conflicting picture emerges. The council says EMT's future shape is in line with the company's own stated preference—to explore new territory.

The company denies this. It says it cannot exist only as an experimenting ground: its system of making actors, singers and dancers swap roles depends for its success on a mixture of standard and new works. The subsidy cut will mean it can stage only two short (possibly 10-day) seasons a year, spelling the destruction of the closely knit company as it exists now.

The Arts Council does not

expect any increase in Government cash next year. Where, then, does the salvation of this immensely versatile company lie?

While awaiting a saviour, EMT is bringing its plight before the public. From the Sadler's Wells stage, in a specially adapted prologue to the English Queen, Quince the carpenter speaks these lines: "Would the state our empty coffers ease, we would your grateful fancies better please."

Weighty matter

What weighs 12lb, is four inches thick and took eight years to make? No, it is nothing to do with the Bionic Man. Nor is it Harold Wilson's hours list. Of course, you guessed, the one-volume, 2,856-page, Illustrated Random House Encyclopedia.

This is the American edition, to be published on September 30, of the Mitchell Beazley Joy of Knowledge Library. In this format it needs 10 volumes, four of which have so far appeared.

The (as yet unpublished) American version has already achieved stunning sales figures, which is good for our balance of payments and a tribute to British technology. It is rumoured that the Encyclopedia will be a bestseller. Mitchell Beazley last achieved this with the Joy of Sex.

THE TIMES DIARY/PHS

And what's wrong with Amin wrecking the Commonwealth as we know it?



Two London Transport men, stung by their bosses' allegations of bad time-keeping, carried out their own reliability test on their own bus. "At no time," they reported, "did we arrive more than three minutes late." Swelling with pride, they added: "At one stage, we were 33 minutes early."

Floral tribute to the crowd

As those staggering crowds thronged The Mall and pressed to the very railings of Buckingham Palace on Tuesday afternoon, shouting "We want the Queen," a colleague in this office suggested that the damage to the grass verges and the flora would be considerable.

Another view of the proceedings on television, the Balliff of the Royal Parks no less, groaned and said exactly the same thing. He admitted to being "horried" by the crowds trampling on 4,000 blooming geraniums in the flower beds opposite the Palace gates. Where, he wondered, would he find the necessary number of replacements.

For the Coronation, of course, Queen's Gardens was covered with stands to house the spectators to that procession. As yesterday morning, the Balliff and his staff approached the top of The Mall in fear and trepidation of what they would find.



In a way, you might say it has found its roots again. Assuming, of course, it is what Mr Leo Cooper is sure that it is—a piece of the Wembley turf ripped up by Scots supporters last Saturday and unheard of since. Mr Cooper, a Shaftesbury Avenue book publisher, found it in an alley, near his offices where the Scots swarmed last week. It was still fresh and firm and had obviously been torn up in a hurry. "I'd know that stuff anywhere," said Mr Cooper. "It's from Ganton Golf Course, in my home county of Yorkshire." The Wembley ground is, of course, surfaced with Ganton sods. Mr Cooper will either plant his find in his Putney garden or present it to the Rugby Union.

Piaf on move

The musical tribute to singer Edith Piaf, to which has been running successfully at the King Theatre Club in Islington transfer to the Shaftesbury Theatre.

So I called to get some and was told that the production, to be re-directed by John Heavood, will on June 21. The songs are lush and, I was informed of the performers, equal role, none precisely Piaf herself. Just as two of the players are Libby Morris, Maurice Peter Reeves and Cliffridge the four-person act, Messrs Reeves and having recently joined-



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IRELAND APPROACHES THE POLLS

ing prices and persistently unemployment have, for the being anyway, blighted the moral chances of the Labour government in Britain. In the public of Ireland prices have risen even more sharply than in the rest of the country (though inflation rate at the moment is fractionally below the rest) and over 10 per cent of the labour force is officially unemployed (twice the rate in Britain). Yet Mr Liam Cosgrave, who leads the Fine Gael and Labour coalition government, has called a general election and the Coalition favours the narrow favourites. Their favour was Mr Cosgrave's stern and inflexible reaction of the Provisional IRA, fully shared by his Ministers, Mr. Cosgrave. It chimes with the present popular mood of the IRA, and has a support in the Republic, the economy, though the road and outlook for prices employment are bad, not all to the government's disadvantage. Ireland has weathered recession better in some respects than other countries. Inward investment has kept up reasonably; the economy grew and is expected to grow at around 4 per cent last year and this; industry exports have been remarkably buoyant, up 17 per cent in last year. A light budget (January made substantial cuts in direct taxation and did much to restore business confidence. Farmers, thanks to the transition to EEC prices and devaluation of the Irish pound, enjoying large increases in income, especially in dairy. They have never had it so good, an electoral factor of some importance in an agricultural country. The only blot on their record is that the Cosgrave government plucked up the courage never found before to raise farming incomes within the scope of income tax. But Mrs. Fall, the opposition, does not intend to undo the act of justice, and anyway first yield in tax was to body's surprise, less than fiscal estimates: the fastest growing sector of agricultural output is accountancy. The Coalition has secured its bare flank also. Under a four minister welfare payments have been largely undented in scope and real value. There was the revision of twenty boundaries, which, or perhaps six seats to the

government, a winning margin in many Irish elections. The Irish variety of proportional representation, often held up as a model of arithmetical purity by electoral reformers, gives ample scope for partisan manipulation in the delineation of constituencies. All parties do it when they get the chance, so cries of "gerrymander" fall flat. Fine Gael and Labour got their chance during the parliament that has just been dissolved, and made the most of it. Fianna Fail, led by Mr Jack Lynch, had not been impressive in opposition, and had fared poorly in by-elections. But it regained its political touch the moment the election was declared. Its manifesto went straight to the weaknesses in the government's record, prices and employment, and it is there that the pressure has so far been maintained. Fianna Fail's "action plan for national reconstruction" promises the creation of 20,000 jobs in the first year, large income tax cuts, the abolition of domestic rating (also promised by the Coalition), and abolition of the excise duty on cars under 16 hp. Initially, pushing the economy moves into higher gear, this successful programme is to be financed by borrowing—£250m in a full year, according to the authors of the policy, a very large sum in the context of Irish public finance. The Coalition having expended its largesse in the budget and in the pre-election distribution of investment grants and other favours cannot grant the impact of the Fianna Fail programme; nor has it yet had much success in puncturing its chief weakness, which is its dependence on foreign borrowing, is not one the Coalition is well placed to exploit, having itself increased the foreign indebtedness of the nation during its term of office by a factor of six. The parties are undoubtedly concentrating on the bread and butter issues which most trouble the Irish electorate. Yet a certain unreality prevails. The behaviour of prices in Ireland is closely linked to the behaviour of prices in Britain, over which neither Fine Gael nor Fianna Fail exercise control; and so it will remain unless the parity of the Irish pound and the pound sterling is broken, about which neither party has anything to say. At the same time the requirements for the achievement of anything like full employment, now that for the first time since

the Famine the population of Ireland is on a rising trend, are so exacting that even the parties' electoral promises are puny in comparison. For spectators in the United Kingdom the chief interest in the course and outcome of the election relates to Northern Ireland and Anglo-Irish cooperation in the face of violent subversion. Doubtless the British authorities would prefer the return of Mr Cosgrave's administration, with which there is good rapport on security matters and which harbours no tendency to political adventurism in the North. But attempts to demonstrate the unreliability of a Fianna Fail government should be treated with caution. True, the party has its origins in a more aggressive form of republicanism. True, it is committed to demanding that Britain declare an intention to withdraw from Northern Ireland. Mr Lynch himself prefers to talk of Britain declaring that its long-term interest would be best served by Irish unification, and he attaches to that two emphatic conditions: that any mention of a state would be impolitic and that ultimate unification must be conditional upon its willing acceptance by a majority of the people in Northern Ireland. True too, Mr Charles Haughey, dismissed from the Cabinet by Mr Lynch in 1970, and charged and acquitted of conspiring to import illegally into the Republic arms destined for use in Northern Ireland, is now fully rehabilitated in the party and is once more a contender for the leadership when Mr Lynch goes—as he is likely to do before another election comes round. But equally it must not be forgotten that internal security in the Republic and cross-border cooperation improved considerably in the latter years of the last Fianna Fail government. That Fianna Fail introduced, against the opposition of Fine Gael, the Offences against the State Act under which Mr Cosgrave's government has chiefly proceeded against the IRA. If Fianna Fail win this election it will be very largely due to the personal popularity of Mr Lynch, which will effectively reinforce his view of the Northern question. Above all, the Irish electorate looks to its government to preserve it from contagion by the vicious futility of the Ulster struggle; and that is a palpable constraint on any government and any set of ministers.

BARRAGE BEFORE BELGRADE

Russians are becoming restlessly worried about Carter. The two new lines on him by Tass, the Soviet news agency, are most virulent yet and are clearly intended to be read as a serious warning of Soviet-American relations. They talk about "malicious publicity campaign" on alleged violations of human rights in the Soviet Union. This, they say, will not be the communist states' stand but could have adverse effect on Soviet-American relations and on the world as a whole. Still now the Soviet press has a relatively restrained in talking President Carter. It has vigorously attacked his policies, especially human rights, and complained about the arms control agreement taken to Moscow by Mr. Carter, the Secretary of State, not until April 20 did it lay him personally, and then for allegedly giving his own interests to "meeting strategy of the biggest opolies, which are well represented in his Administration". It seemed then that the Russians' concern was to take the

shine off President Carter's image as a populist concerned with social justice and to depict him as just another puppet of the big capitalists. They seemed particularly anxious to prevent him gaining credit in the developing countries, and they also attacked Mr Andrew Young, his ambassador to the United Nations. Now, however, they are laying it on the line that he must either stop "interfering" in their internal affairs or risk seriously damaging the whole relationship. This is an interesting and significant change. It shows that the Russians are now less hopeful than they were that President Carter would gradually lose his public enthusiasm for human rights and revert to more discreet forms of diplomacy. They are beginning to worry that he actually means what he says. Their worry is enhanced by the approach of the Belgrade conference, which is to review the Helsinki agreement signed two years ago. Next week officials of the 35 signatories will meet to discuss the procedure, agenda and so on for the main conference, which is expected sometime in the autumn. The Russians want an agenda that will rule out or severely discourage western scrutiny of their own record in implementing the agreement, which includes clauses on human

rights and related subjects. The West will not accept this, and the Americans are now taking a much firmer stand than during the negotiations, which led up to the Helsinki conference, when it was the Europeans who wanted to talk about human rights and Dr Kissinger who did not want to rock the East-West boat. This probably explains why the Russians have chosen this moment to attack. President Carter need not let himself be unduly worried. When the Russians decide to test an American president they do not stop at half measures, but they are usually capable of making the necessary adjustments if they find him standing firm. On human rights they are obviously particularly sensitive because their pride and their image are at stake, and because they are probably genuinely worried about stability in eastern Europe, but there is now no way in which they can remove the issues from international debate. Nor should they be allowed to. They have no real basis for their complaints about "interference", since they themselves are free enough with their comments on the affairs of others, and they cannot argue that discussion of human rights is inimical to détente, since the Helsinki agreement says precisely the contrary. The President should stand firm.

THE SURVIVAL OF WHALES

sidering how little we ever or small of it, the whale takes a surprisingly prominent place in our consciousness. Preeminent size is very interesting, and so is the alizing evidence of intelligence, feelings and social instincts in a bulk so inconspicuously alien. Animals exploited, treated by our own species on gain much public sympathy unless they are more cuddly, but the wet and jelly whale has made itself popular international cause. A kind of large whale have greatly reduced by hunting, he point where fears arise they may be made extinct, now Dr Radway Allen and Ray Gambell, of the International Whaling Commission are that all the excitement is misguided hoo-ha. The commission is a body whose motives have not always been pure. It is a group of 16 countries most in debt in whale fishing, and has limited powers of control over its members. It has often been accused of being unduly influenced by their short-term commercial interests. Its scientific

committee, of which Dr Allen is chairman, has more than once recommended steps to protect whale stocks which have been disregarded by the commission at its annual meetings to set fishing quotas for the coming season (the next meeting takes place in Australia later this month). These quotas have usually been set at lower and lower levels each year, yet the catch has often failed to reach the quotas, or else has been made up of smaller animals than before—strong indications of over-fishing. Since 1975 the commission has shown signs of increasing assurance in meeting criticisms. Even though Dr Allen is chairman of the scientific committee whose advice was rejected in other years, he is full of confidence today. This is partly because he is able to point to evidence that since hunting of certain acutely endangered species has been forbidden, their numbers have begun to increase again, and partly because the new quota system used in the past two seasons has distinguished much better between species and between different parts of the world where the threat is more or less urgent.

But the means of control cannot be more accurate than the information about populations on which it is based. The numbers, habits and life cycles of whales are still only imperfectly understood. Their long gestation and nursing periods mean that populations can only replenish themselves slowly. For every species there is an unpredictable point beyond which recovery is impossible even if hunting ceases (the passenger pigeon, for instance, was made a protected bird while it was still the most numerous bird in the United States, but the pattern had already been broken and it rapidly became extinct). Whales not yet protected may not recover as easily as other species have. The catch has declined so far now that whaling is of far less importance than it was even in Russia and Japan, the main whaling nations. When the commission sets the quotas for next season, it should resist pressures and let caution rule. It is all too easy for us today to draw levathan up with a hook, but once we have drawn up the whole race we are no more able to recall it to life than men could in Job's day.

'Long to reign over us'

From Dr Noble Frankland
Sir, Mr George Hutchinson's suggestion (June 4) in the course of an otherwise excellent article that the Queen should give way to the Prince of Wales in her lifetime is misguided. Loyalty to the Crown also involves attachment to the person of the Sovereign and the active wish, expressed in the first verse of the National Anthem, to sustain her (or him) on the throne. Abdication or exclusion, save in utterly exceptional circumstances, such as those concerning James II and Edward VIII, is a dangerous and basically republican instrument. The natural succession has, proved not only its value but its superiority over elective systems. Moreover, the argument that Queen Victoria held on too long is historical nonsense. Her immense prestige and still unique place in the annals of our monarchy were due to numerous factors not the least of which was the sheer length of her reign. Edward VII, had he succeeded earlier, might, for all we know, not have been a particularly good King, what we do know is that in this brief reign he achieved a stunning success, giving his name to an era and by his death casting the whole nation into passionate grief.

While Sovereigns seldom seem to die at the right moment, and in this connection one thinks particularly of King George VI who, like a soldier in war, virtually gave up his life for us, a little reflection may suggest that the success of the Cause of God is better than by decision of the Privy Council, or advice in the newspapers. I am, Sir, yours faithfully,
NOBLE FRANKLAND,
Thames House, Richmond, Surrey, S.W.18, June 4.

From Mr G. M. Foguill
Sir, As we salute the Queen on the occasion of her Silver Jubilee, let us assess her achievement in the light of the difficult conditions of her reign. It started with high hopes of a new Elizabethan age, with golden opportunities for fulfilment in the development of the British Empire in its transition to a Commonwealth under our leadership.

Aboriginal reserves in Queensland

From Mr Stuart Harris
Sir, As was reported from London (June 3) by Mr Fraser, the Australian Prime Minister, has strongly attacked apartheid in South Africa. In this context your readers should be aware that Aborigines in Australia are still treated with discrimination, and an Act of the Queensland Parliament in 1967 gave the Government power to reserve land for Aborigines. This legislation represented a profound, if delicate change in Australia's attitude to Aborigines and the Government acted on it. But the change is not yet wide enough and deep enough and is being challenged by the Queensland Government's attitude remains unconvincing. Only in Queensland do Aboriginal reserves still belong to the Government. In the Northern Territory, since the passage of the Land Rights Act in Canberra last year, Aborigines own by inalienable title areas of land amounting to the size of the United Kingdom. This legislation represented a profound, if delicate change in Australia's attitude to Aborigines and the Government acted on it. But the change is not yet wide enough and deep enough and is being challenged by the Queensland Government's attitude remains unconvincing.

Compulsory seat belts

From Mr Bryan Magee, MP for Waltham Forest, Leyton (Labour)
Sir, Dick Russell wastes an awful lot of your space (June 2) on the missing of a very simple point. When writing of the money costs that would be saved to the community by the compulsory wearing of seat belts I used the phrase "8 or 9 figures per annum" simply because the difference between straddling the £100,000,000 mark. The most conservative is that of the Department of Environment which, erring overily on the side of caution, brings it out at £73,000,000. This is based on an estimated saving of 1,000 lives and 11,000 serious injuries a year, figures which are now agreed by almost everyone seriously concerned with the matter to be too low.

I did not spell out these figures in my earlier letter, partly because they can only be estimates but chiefly because the actual figures are not the point. By any reckoning, the saving in lives, tragedies and money that would be brought about by the compulsory wearing of seat belts would be enormous, and the loss of personal freedom negligible. The reason why opponents of the measure try so often to turn it all into a joke is that they have no serious case. Yours, etc.,
BRYAN MAGEE,
House of Commons, June 2.

Arrests in Poland

From Sir Alfred Ayer, FBA and others
Sir We are deeply disturbed at the recent wave of arrests in Poland of persons connected with the Workers' Defense Committee. We hope that the Polish government will reconsider its action and that it will not wish to jeopardize the progress of recent years in respecting human rights and self-expression. Yours sincerely,
A. J. AYER,
New College,
CHRISTOPHER HILL,
Bedford,
CHARLES TAYLOR,
All Souls,
Oxford, June 3.

Relations with Japan

From Lord Sheffield
Sir, After himself adding vehemence to my letter (of May 28) on the bombing of Hiroshima, Professor Dore (Leamington, June 7) then links it with views about Japan which I have never held. In such opportunities as I have had in the past 25 years, I have tried to present a balanced view of relations and to encourage and support the concept of what is now called triateralism. I have always found my contacts with Japanese politicians, officials and businessmen fruitful and free of tension. I am not qualified to express an opinion on the psychological complexities of the Professor's thesis, but I venture to suggest that they have little or nothing to do with the means by which the war against Japan was brought to an end in 1945. Yours faithfully,
SHEPHERD,
House of Lords, June 8.

Balance-sheet of EEC membership

From Mr Douglas Jay, MP for Wandsworth, Battersea North (Labour)
Sir, In your columns on June 4 Sir Con O'Neill and others appear to argue, either that because the cost of the Common Agricultural Policy to the United Kingdom's balance of payments cannot be exactly measured, it can be treated as negligible, or alternatively that there is a budgetary saving to set against it. The latter having its own validity because our EEC budgetary net contribution has to be paid instead; and some of us would rather pay to keep food prices down than to push them up. But it is the cost to our balance of payments, and the raising of our labour costs, which really matter. To argue that an extreme protectionist and restrictive regime does not normally raise prices of imports above what they would otherwise be is to fly in the face of all common sense. First, if it were true that world prices of the main foods were not normally lower than EEC prices, there would be no need for any of the CAP protectionist barriers. Why not abolish them? Secondly, since production costs of most staple foods are lower for physical or climatic reasons in North and South America and Australia than in Western Europe, prices must normally be lower if supplies from these low-cost producers are admitted freely. Thirdly, the empirical evidence shows beyond dispute that world prices are in most relevant cases now much lower. John Cherrington, Agricultural Correspondent of the Financial Times, in that paper on May 27 described the statement that there are no longer any supplies of cheap wheat in the world today as being "so far from the truth as to be nonsense". It is not mainly sugar, as Sir C. O'Neill seems to imply (though even here there is a cost, but grain, meat and dairy products which matter to the UK balance of payments. In the case of beef, imports from our main non-EEC suppliers, Australia and Argentina, have been almost wholly excluded by the EEC for two years. The result was expressed thus by the President of the Institute of Meat on May 31: "British consumers are paying twice as much as they should for beef.... While we have to charge in excess of £1 a lb for top-side, Australia would happily put it on our plate for 50p a lb or less" (Financial Times, June 1).

In the case of grain, wheat carry-over stocks at the start of 1977/78 in the five main exporting countries are at their highest for seven years (International Wheat Council, April 27). The Chicago price for March 1978 wheat is given by the FT (May 27) as £57 per tonne, while the average price in London (after EEC net levies) was £56.50—a 70% charge on the most basic of all foods. For maize and barley, the prime feeding stuffs for British agriculture, the excess is not far different. It is largely the EEC tax on feeding stuffs (euphemistically called a "levy in kind") which has caused the crisis in the British pig industry. For dairy products, the EEC Commission's own Agricultural Report for 1975/76 gives the EEC butter price on average in that year as 320% of the world price—more than three times as high. At present, according to John Cherrington (May 27), the butter intervention price in the UK is £1.315 a tonne, before the subsidy, the return to the New Zealand producer £830 a tonne—and the average price in the Continental EEC from £1,500 to £1,880. Recent sales by the EEC to Russia and elsewhere, now resumed, are reported as being at a price of about £400 a tonne—presumably the world price! In general, therefore, we have lowered consumption and therefore this country's real living standards.

In addition, quite apart from food, Britain's visible trade balance with the EEC Six in goods other than food and oil has worsened by about £120 million a year since between 1970 and 1976; while in the same period the same balance with the rest of the world improved by about £2,300 millions. This is mainly due to a huge rise in imports of manufactures from the EEC. The two prime needs of British economic policy are: (1) to import raw materials and food at world prices, and (2) to restrain imports of manufactured consumer goods.

Breakfasts

From Dr G. W. Lynch
Sir, As former head of the Social Nutrition Research Unit at Queen Elizabeth College, I was interested in your publication of the conclusions which emerged from the recent Kellogg Company press conference on breakfast. It appears that a reduction in breakfast consumption is due to an increase in the number of working mothers and that children foregoing breakfast are prone to poor scholastic attainment. Earlier studies in which I was involved do not support these opinions. For example, a comparison of a random selection of 276 schoolchildren with working mothers and 204 schoolchildren whose mothers remained at home revealed that 76.8 per cent of the former group and 83.3 per cent of the latter group consumed breakfast. This accounted for an insignificant difference of only 6.5 per cent. A statistical examination of associations between the presence or absence of breakfast and the difference levels of scholastic performance showed that none was significant. Breakfast is an important meal but, in some cases, the effects of its exclusion may be compensated somewhat by food purchased en route to school.

Last year, the unit published a study of schoolchildren in the North of England. This revealed that the only significant group of children who were accustomed to the lack of a breakfast meal related to those who received free school lunches as a consequence of financial hardship in the home. These children alone were significantly associated with below average scholastic performance. An interesting feature emerged when the association of free school lunches and poor scholastic attainment was studied according to whether children did or did not qualify for free school milk. The correlation with poor scholastic performance was examined in the sub-group of children consuming school milk but it persisted among those children who did not.

Yours faithfully,
G. W. LYNCH,
43 Lonsdale Road,
Barnes, SW13,
May 27.

Contribution to peace

From the Bishop of Chichester and the Bishop of Manchester
Sir, As we approach the second anniversary of the referendum on Britain's membership of the EEC it is worth recalling some of the vision which many people had in giving that decisive vote. It is easy to lose that vision amidst the many economic problems which, though they existed at the time of the referendum, have since then been allowed to obscure all other aspects of the matter. The European Community is an important contribution to world peace. Armed conflict between its members which has torn the world apart twice in this century is now unthinkable. As members of the Community the component states are able to do more for the cause of social justice and the relief of need in Europe than they could do separately. As members of the Community they are able to make a more substantial and positive contribution to the developing countries of the world than they could do separately. If these positive purposes are to be developed to the full it is important that the political institutions of the Community and its ability to take decisions be strengthened. Britain has already contributed to the development of the authority of the European Parliament by procedural innovations. It would be a tragedy if we were now to turn our back on all this and to abandon the spiritual and cultural heritage that we share with the other nations of the European Community and together can bring to the service of international order, justice and peace. Yours faithfully,
ERIC CICESTR,
PATRICK MANCHESTER,
June 3.

From Mr Geoffrey Denton
Sir, Mr Richard Body (June 2) examines in some detail the consequences of a situation this year in which wheat prices protected under the EEC's common agricultural policy are higher than those in world markets. His analysis of the consequences for the prices of feeding-stuffs and the economics of pig farming, etc., is perceptive, and would be widely agreed among critical supporters of the common market, including the Brussels Commission. But his sweeping condemnation of the CAP ignores many important considerations. Most notably, he refers not at all to the vital question of security of supply at reasonably stable prices, which is the over-riding necessity both for our consumers and for our farmers. If wheat prices on world markets were to rise again through renewed shortages, we would have to pay much higher prices than now if we had allowed EEC production to be drastically reduced in order to obtain the benefit of bargain lots on world markets this year. Even worse, we might not be able to obtain adequate supplies at any price.

An important reason for the UK's excessive dependence on imports, from which so many of our economic difficulties have derived, is the adoption in the nineteenth century, alone among the European nations, of the policy of removing protection from British farmers and allowing cheap wheat and other products to flood the British market. There may have been a case for abolishing the Corn Laws when Britain was the world's leading industrial exporter, but does Mr. Body really want to recommend, in the much harsher world economic climate of the 1970s, that the EEC should incur the same risks of losing its economic independence? Yours sincerely,
GEOFFREY DENTON,
11 Oakhill Avenue, NW3,
June 2.

CAP effects

From Mr Richard Body (June 2)
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The Church's teaching

From Mr H. Hyslop
Sir, It seems to be an established principle today that those who remain attached to traditional Roman Catholicism are not entitled to express their views in public. Nevertheless, I will try again, and this with reference to the letters of Dr Hemming and Professor Root (June 1). The strange thing, to my mind, about the letter of Dr Hemming, is the way in which he places the hazardous opinions of undergraduates, schoolgirls, first communicants, etc., exactly on a par with the teaching of Popes, Councils and the historical Church. Unless the schoolgirls, etc., agree with the Pope, the Pope's opinion is only one among others. But Catholicism has always insisted, not in making up one's own religion, one goes along, but in conforming one's judgment to that of the Church. To make up one's own religion and call it Catholicism is to impose upon mankind. As to the letter of Professor Root, it is much concerned with the distinction, I believe, in the 17th century, between fundamental and non-fundamental articles of faith. But one fundamental article of faith has always been that the Church in the full sense is one communion, and that God can be trusted to keep it from doctrinal error. It is hard to think that this is accepted by those who insist upon the right to dissent in all that strikes them as secondary. But, if they do not accept it, they do not agree in fundamentals. I do not say with orthodox Catholicism, but even with the teaching of the Fathers. It is points such as these, and the constant failure to face them, which give rise to the widespread

opinion that ecumenism, as commonly practised, is an exercise in papering over the cracks, and not in assuring the foundations. Yours truly,
H. HYSLOP,
30 Herefields, Oxford, June 1.

From Mr D. Murray
Sir, While welcoming your report in today's *The Times* (June 3) concerning the application currently before the City Council to demolish Lord Nuffield's early twentieth century purpose built motor workshop in Longwall Street, Oxford, may I amplify two points. The importance of its associations lie in the fact that, in his building in the shadow of the medieval city wall, W. R. Morris conceived and built the prototype of the first Morris car, before the necessary move to Cowley in 1913. For better or for worse, this act transformed Oxford. Secondly the Planning Committee agreed that a sound approach would be the retention of the frontage building, not just its facade. The frontage building contained W. R. Morris's office and workshop and has an independent structure to the vast hire garage behind it. Facade retention, while useful in preserving townscapes, has little value in the more positive task of conserving buildings of architectural or historical interest. Yours faithfully,
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Charles Hargrove
June 8

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The plan includes consolidation of Airbus programme, in addition with its partners in Germany, Spain, West Germany and construction of a new aircraft, equipped with the CFM 56, 10-ton jet engine.

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Three strikes threaten production at Leyland

By Clifford Webb

Three strikes yesterday threatened the 10-week-old "peace" in Leyland car factories which has enabled the state-controlled company to make a promising comeback.

The only surprising thing about today's Cabinet decision is that it stops short of outright nationalisation, for which a very plausible case could be made.

There is a risk, according to some experts, that by acquiring a blocking third the state will check the company's dynamism without achieving effective control over its activity.

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Borthwick in bid move for Matthews

By Adrienne Gleeson

Thomas Borthwick, the meat trading group, has approached Matthews Holdings, the retail butchers, confectioners and flavouring group, with a request for talks which may lead to a bid.

Mr Raymond Blye, chairman of Matthews and also of Crystal Palace Football and Athletic Club, said yesterday that the approach, which has been made last Thursday, came after earlier talks. He thought that this time it might be "the beginning of something big".

Matthews, which is still involved in negotiations over the transfer from Crystal Palace of ground at Selhurst Park worth £275,000, in settlement of debts owed by the football club to the club, is due to announce its results for the year to early January within the next few days.

Mr Blye said yesterday that he thought shareholders would not be disappointed with the results. Matthews' shares gained 5p to 48p yesterday, while those of Borthwick dropped 1p to 33p.

Borthwick, under the chairmanship of Dr Bill Bullen, obtained a public quotation for its shares last year, and with a hard-fought, but abortive bid for FMC, has hardly been out of the news since then.

Borthwick's merchant bankers, Morgan Grenfell, said yesterday that this bid had been on the cards for some time. It had been under consideration while the group had been negotiating for the purchase of the meat wholesalers FMC, which eventually went to the NFU Development Trust, a big stockholder, in a bid worth rather less than Borthwick offered.

The logic of the bid for Matthews, he said, lay in the



Mr Raymond Blye (left) and Dr Bill Bullen.



link-up with its manufactured products business—meat pies and the like—roughly comparable in size to that of Borthwick as well as in the tie-up with the retail butchers business which, while labour-intensive, also produced a high cash flow.

It also applied in the similarities between the hydrolized animal proteins business of Matthews subsidiary, Barnett & Foster, and the business Borthwick had acquired when it took over Midland Cattle Products in the autumn of last year.

Mr Blye, who has a 5 per cent stake in Matthews—there are no other large holdings—said yesterday that as yet there has been no discussion over the price Borthwick would have to pay.

Matthews recently sold a 33 per cent stake in its French subsidiary, Bocherie Bernard SA (now an associate), for approximately £2.6m, and the proceeds so far received have been used in reducing the group's debt.

Price cuts of up to 20pc set pace in High Street war Tesco changes course with larger stores and a quieter image

By Derek Harris

Concorde's British number one grocery multiple chain, yesterday made good its threat to set off a High Street price war, following its decision to cut 14-year-old policy of giving Green Shield trading stamps.

A new company image, more restrained than the brash run-downness associated with the earlier days of Tesco's founder, Sir John Cohen, was also unveiled, with plans to speed up the closure of older, smaller Tesco stores.

Tesco is bringing in price cuts largely of between 6 per cent and 15 per cent on 100 of its best-selling items, including fresh meat, tea, coffee, breakfast cereals, butter, margarine, soft drinks, biscuits, frozen foods, dog food and bread. But there will be a few "eye-catchers" cuts of more than 20 per cent.

On another 900 lines there will be price cuts of between 6 per cent and 3 per cent. Some of the price cuts are in Tesco's "Home" line, in-store outlets which sell goods in bulk, including clothing, footwear and domestic electrical appliances, including large items like refrigerators.

Packs of five women's tights, for instance, are down from 119p to 85p, Folio Swifters colour cameras from £12.95 to £11.25 and Rowena-made Snowmax refrigerators from £55 to £49.95.

First indications last night were that the 100 deeper cuts would be highly competitive with prices at Sainsbury, which has claimed Tesco is 3 per cent more expensive overall, is being undercut on some nationally branded goods, but this may not cause them too much alarm because their main strength is in low-price own-label items.

Tesco is closely competitive in its 100 prices with Key Markets which, like Sainsbury, does not give trading stamps.

The question of how far to march Tesco's price-cutting policy for the big stamp-giving chain of British industry yesterday carried out the recycling of goods but also to redress the stores for what is Tesco's main attempt to change its image.

Tesco's 700 stores were closed yesterday, not only to carry out the recycling of goods but also to redress the stores for what is Tesco's main attempt to change its image.

For television and press advertising alone £1.5m has been allocated for the campaign to launch the new look Tesco which the company's managing director, Mr Ian MacLaurin, summed up as: "The brash poster image is all being changed."

Trading stamps presented a down market image. This is now a price-orientated mass market group. No chain in the country has such incisive policies as we have now.

The Tesco price-cutting policy would be an ongoing one, Mr MacLaurin promised. "But there is more," than the £20m saved in a full year by giving up Green Shield stamps would be ploughed back into price cuts, the equivalent of a 2 per cent cut overall.

Under the plan to get the brand leaders as cheap as possible. The only increases we shall put through in future will be those passed on to us by manufacturers. In fact, since the decision a month ago to drop stamps we have sold over 350 manufacturers' price increases.

Tesco is looking for a 20 per cent increase in turnover from its policy switch. But its gross margins on grocery are likely to drop from around 15 per cent to around 10 per cent.

On the other hand it is among those companies in the sector with better trading profit figures, with a wage-sales ratio of around 8 per cent that is markedly better than some other sector companies. In grocery, wages usually account for at least 50 per cent of operating costs.

Tesco's stepping away from its old "reassuring image"—red, white and blue is its new colour scheme, but those luminous red colours have "gone"—is largely an attempt to extend its market into a richer pickings area where companies like Sainsbury and Waitrose (the John Lewis Partnership grocery chain) have been doing well.

It sees its future with new, bigger stores of between 25,000 square feet and 90,000 square feet. There is 1.5 million square feet of new store area being built in a two-year programme, and this rate of expansion is expected to continue.

Mr MacLaurin indicated yesterday that 150 smaller food stores now had a limited future, as Tesco speeded up its plans for getting out of this type of outlet.

Some of the smaller supermarkets are also likely to be closed progressively or switched to non-grocery selling.

Sainsbury point out that their own label products are considerably cheaper than nationally advertised branded goods. A spokesman for Waitrose said they had their own basic shopping basket of 40 items on which they did their best not to be undercut by competitors.

Selective action to meet the increased price competition will be taken by Fine Fare, said a spokesman. It had only 40 stores in direct competition with Tesco and would not want to alter prices in all its stores solely to match the Tesco campaign.

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CBI facing growing pay dissent

By Malcolm Brown

More companies are questioning the sense of a third phase of pay policy.

An official of the Confederation of British Industry said yesterday that many small companies had been in favour of a return to free collective bargaining for some time. Now, as the figures discussed in the debate over phase three became higher, some of the bigger companies were starting to talk of an end to pay levels set by the Government.

The dissenting companies are expected to make their views known at a meeting of the CBI's grand council next Wednesday.

It is most unlikely that the pressure from these companies will move the CBI leadership from its determination to push for a third phase. But the confederation is ready to denounce any third phase agreement which it judges would give labour more money than unrestrained bargaining would do.

The CBI's feeling is that a realistic phase three is essential as a prelude to the reform of pay bargaining, which the confederation is now arguing for.

The confederation's ideas on reform were laid out in a discussion document, *The Future of Pay Determination*, published last week.

This examines radical changes, including the compression of the annual pay round into a period of three months.

The rationale of the dissenting companies at the CBI is that the present talks on pay could result in pay rises in the range of 15 to 20 per cent, while unfettered negotiations could keep rises well below these levels.

Austria boosts bank rate to 5.5 pc

Vienna, June 8.—Austria's National Bank today announced an increase in bank rate from 4 per cent to 5.5 per cent and a rise in the Lombard rate from 4.5 per cent to 6 per cent. Bank rate last changed on June 10, 1976, when it was cut from 5 to 4 per cent.

Nube fights for a foot in Abbey's staff door

A union recognition battle is under way at the Abbey National, second biggest of the building societies. The National Union of Bank Employees has lodged a recognition claim under section II of the Employment Protection Act. Meanwhile plans are moving ahead for the formation of a non-TUC staff association among the Abbey's 5,000 employees.

The union is anxious to secure recognition at the Abbey as part of its recruitment drive among the largely non-unionized 30,000 building society employees throughout Britain.

Mr Liff Mills, general secretary of Nube, yesterday met Abbey National management and urged them not to recognize any staff association until the union's section II application is resolved. The claim could result in a ballot or some other test of employee opinion by the Advisory, Conciliation and Arbitration Service.

Mr Mills said last night: "We trust that societies will take a long-term look at staff representation and at the benefits of dealing with a professional trade union, and not take the short-term palliative of recognizing internal staff associations."

Mr Richard Baglin, divisional manager, personnel at the Abbey, said the staff, and not

the society, were forming a staff association. He did not know how employees would feel about awaiting the findings of Nube's recognition claim.

Mr Alan Dunstan, a leading member of a 27-strong working party set up in April to investigate future staff representation, said a ballot of employees yielded a 75 per cent vote in favour of setting up negotiating machinery of some sort. A majority of the working party had voted in favour of internal bargaining machinery as against recognizing Nube.

He claimed that 2,000 employees had indicated their willingness to join a staff association. "Building society people are perhaps rather laid in their outlook towards industrial relations and the attitude has been that they would prefer an in-house organization run by themselves."

The working party meets again next Tuesday when a decision might be taken formally to set up a staff association. The question of recognition will then have to be discussed with management.

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£220m oil refinery on Cromarty Firth given planning approval

By Ronald Faux

Approval of the master plan for an oil refinery complex at Nigg Point on the Cromarty Firth was given by the planning and development committee of the Highland Regional Council in Inverness yesterday.

The project by Cromarty Petroleum, an American company owned by Mr. D. K. Ludwig, is for a £220m refinery, marine terminal and associated storage able to receive 20 million tonnes a year, or 400,000 barrels a day of crude oil from the North Sea fields. Half would be shipped out as crude, and the remainder processed.

The refinery would also have a sulphur reforming unit making it possible to produce the lighter distillates, including gasoline for which there was a growing market.

Mr Douglas Calder, director of planning for the region, said the main question raised at

the faster-than-expected rate of North Sea production and significant new elements which had emerged since the planning authority first gave outline consent to the project, had required changes to the plan.

These included a crude oil stabilisation unit to handle crude arriving at the refinery by pipeline. No firm proposal for linking Nigg to any of the North Sea fields by pipeline had yet been put, but certain developments made this a possibility.

The refinery would also have a sulphur reforming unit making it possible to produce the lighter distillates, including gasoline for which there was a growing market.

Mr Douglas Calder, director of planning for the region, said the main question raised at

yesterday's meeting, was over the timetable for the development. It was made clear that the whole project was conditional on the refinery being built before the associated oil storage facilities. This must be a refinery with oil storage, not an oil store with an associated refinery, he said.

Estimates of construction time put detailed engineering and building of the refinery at about three-and-a-half years; crude and product storage cavern systems in overlapping phases for final completion in nearly five years, and the marine facilities in stages totalling some four-and-a-half years.

The company hopes to start work by the end of this year. Construction manpower would build up rapidly after the first year to a peak of about 1,700.

Footwear exporters in Canada quota plea

By Derek Harris

The British Footwear Manufacturers Federation is to present evidence today to a Canadian government inquiry to try to avert a threat to Britain's rapidly growing exports of footwear to Canada.

In the wake of United States restrictions on foreign footwear imports, which take effect next month, Canada has been widely expected also to bring in import restrictions. The government inquiry is being held to assess whether restrictions are necessary and what form they should take.

While Britain's footwear exports to the United States have been static those to Canada are rising substantially. In 1969 British manufacturers exported 1 million pairs to Canada, but this penetration dropped to 632,000 in 1975. There was a climb back to 744,000 last year and exports have gone further ahead in the first four months of this year.

If the rate of exports can be maintained, British production going to Canada could be near the 1 million mark by the end of this year, according to the federation.

The British fear is that the Canadians—unlike the United States which is negotiating "orderly marketing" arrangements particularly with Taiwan and South Korea—will bring in quota arrangements. If these were tied to 1976 or 1975 levels of imports, it would affect British exporters particularly harshly. Exports to Canada could be worth as much as £5m this year.

The other problem Canadian restrictions could raise for British footwear makers is that they could divert at least 10 million extra pairs of often cheap-price exports from Taiwan and South Korea into the European market.

American restrictions are expected to bring at least another 50 million pairs from the Pacific basin into Europe, with Britain as the most vulnerable market because of the sophistication of its retailing. British manufacturers, with trade union backing, are expected soon to ask Mr Dell, Secretary of State for Trade, for protection against mounting imports of cheap foreign footwear. This would probably mean quotas.

NCB regrets opencast site delays

By Roger Vielvoye

Extended public inquiries into new opencast coal mining sites and long delays into reaching decisions contributed to a shortage of some domestic grades of Welsh anthracite last winter, Sir Derek Ezra, chairman of the National Coal Board, said yesterday.

As a result, the coal trade had to import more than 80,000 tons of foreign anthracite. Sir Derek, opening a new opencast site at Coalfield Farm near Rbstock, Leicestershire, said the NCB needed a constantly updated programme of new opencast sites.

Extended inquiries and long delays on decisions have meant that replacement sites were not ready in time. At present the NCB was producing 11.5 million tons of opencast coal from 60 sites, but to reach the target of 15 million tons a year by 1985, 70 or more sites would be needed. Last year's opencast production also saved oil which would have cost £370m to import. The rate of interest relief grant is also being reduced from 111 per cent to 11 per cent.

Car imports 'counter' rebounds on UK small manufacturers

By Clifford Webb

New Ministry of Transport Type Approval Regulations introduced principally as "an indirect counter" to car imports could have serious implications for one sector of the British motor industry—the small manufacturers of specialist cars.

Last night these companies claimed that unless the regulations are amended before they come into effect on October 1 they could put an end to this country's claim to be the world's leading manufacturer of specialist cars.

Mr Richard Covey, sales director of Panther Westwinds, the Byfleet, Surrey, producer of hand-built £40,000 saloons and coupes, said: "We only build two of these cars a month but the new 'regs' will require us to crash test all four versions at a cost of around £20,000 each before they can be approved for further sale in this country."

"No company of our size can afford that sort of money. In going for this blanket coverage and introducing regulations similar to those already in force in Europe, Japan and America, the Government has forgotten that in America, for instance, they are prepared to give discounts to small manufacturers—people who produce only a few hundred cars a year."

"In a nutshell it means that we shall have to drop a new car which has been under development for the last six months."

and refrain from selling some of our other models in Europe."

Panther, along with companies like Morgan of Malvern and TVR Engineering of Blackpool, have protested so vehemently that MPs are taking up their case and will be putting Commons questions.

A delegation of specialists has already interested Mr Robert Cryer, a junior minister at the Department of Industry with responsibility for small companies, and he will visit Panther next week. Meanwhile his officials have opened talks with their opposite numbers at Transport.

A spokesman for the Department of Transport said last night: "We are currently engaged in talks with industry about this. The difficulty is to find a practical formula. If there is any question of a financial arrangement being made to assist the small manufacturers' companies, and the will visit Panther next week. Meanwhile his officials have opened talks with their opposite numbers at Transport."

The industry's premier trade body, the Society of Motor Manufacturers and Traders, served on the working party which helped to formulate the new regulations.

Further fall in rates on loans for industry

Further reductions in interest rates on loans made under the Industry Act, 1972, were announced by the Department of Industry yesterday.

The "concessional" rate of interest on loans for employment-creating projects is being cut immediately from 81 per cent to 8 per cent while interest on loans for modernization projects goes down from 111 per cent to 11 per cent.

Vosper gets £5m patrol boat order from Bahamas

Vosper Thornycroft, the specialist warship builders, has won a £5m order from the Bahamas government to supply five patrol craft for the Bahamas Defence Force.

Three of the five ships will be 60ft long, with glass reinforced plastic hulls. Four similar craft were supplied by the company to the same customer seven years ago.

The two other craft will be larger patrol vessels built in steel to a standard Vosper design. Thirty-six of this type have already been built or are under construction for six other overseas governments.

Vosper, which will be among the companies to be taken over by British Shipbuilders, the new state shipbuilding organisation on July 1, is also involved in negotiations with the Kuwait government for a £100m order for the supply of 10 fast patrol vessels.

Negotiations have reached an advanced stage.

Italian aerial survey contract for Hunting

Hunting Geology and Geophysics of Borehamwood, Hertfordshire, has won a contract to undertake airborne surveys as part of a programme by Agip, part of ENI, the Italian state energy company, to locate uranium deposits in mountainous areas of northern Italy.

LETTERS TO THE EDITOR

Embassy aid to export effort

From Mr G. S. Planner

Sir, Various press reports recently have given the impression that our embassy staff abroad do not show interest or given assistance to companies engaged in exporting. There also exists a Government report which proposes a reduction in our embassy staff and facilities.

As most of my business life has been spent in exporting, particularly to the socialist countries, I must defend wholeheartedly the contribution made to our export achievements by our ambassadors and the commercial sections of our embassies. Over the years my staff

and I have received excellent advice and practical help on every occasion on which we have requested assistance. All too often the embassies are brought into discussions on problems too late; some businessmen take the view that the embassy role is simply to help them in case of trouble.

The many experienced and hard-working export executives will, I know, be full of praise for the cooperation they receive, often from an overworked and understaffed embassy and to think that these excellent facilities may be even further reduced must cause most exporters seriously to doubt wisdom of those making

Our existence as a trading nation depends on our export trade and every possible assistance that the Government give, whether it is directly in London or through our embassies abroad or any other assistance, must be of paramount importance.

Yours sincerely,
GORDON S. PLANNER,
General Manager,
Eastern Export Operations,
Rank Xerox Limited,
Westbourne Grove, W2,
London, W2 5RH.

Nuts and bolts of Copyright Act

From Mr M. C. Dobbs

Sir, As readers of Business News are aware, the Copyright Act 1956 is being used to re-assert a monopoly in the supply of spare parts for their products. This monopoly in the supply of spare parts such as a square baseplate of a machine tool was one of the reasons why the departmental committee under Mr Justice Whitford was appointed.

The report of this committee was recently published on the basis on which its recommendations are based is disturbing. Under the heading "General Approach," the Report says in paragraph:

"As we see it, the principal object of successive statutes has been the protection of those who produce original work against competitive copying, copying for a market in which the original maker of the work ought to have the exclusive right. Like the Gregory Commission, we approach the questions to be considered on the basis that, first and foremost, what has to be considered is this: 'Is this really the correct approach where truly artistic works are concerned?'"

M. C. DOBBS,
Michael Dobbs & Co,
3 Sandpit Road,
Barnet, Herts.
Essex CM7 7LY.

CBSA and banks nationalization

From Mr Wilfred Aspinall

Sir, I read with interest the article by Michael Hanfield (May 25) about the Labour Party policy makers were attempting to bury the motion of nationalising the banks and insurance companies. This is good news.

The CBSA has on a number of occasions made its position quite clear regarding this issue to the Labour Party and the press. We are opposed to nationalisation of the clearing banks.

The CBSA, being the majority trade union in the English clearing banks with 66,000 members, does, however, regret that *The Times* made no mention of this union and that it would appear that the Labour Party will discuss the issue as it affects bank staff with minority representative unions.

Yours faithfully,
WILFRED ASPINALL,
General Secretary,
Council of Bank Staff Associations,
25 John Street,
London, WC1,
May 25.

Serious situation of delivery date

From Mr A. Tessler

Sir, Lady Robson might well right (June 1) and one of reasons for the failure to achieve an export-led boom the increased cost-burden placed upon industry by a long pound.

However, there is also a danger suggesting that the industry at large is not doing its best to overcome the capacity, neverthe exporting companies are a of capacity. Hence the surprisingly long delivery dates quoted by the majority of exporters. The situation is, therefore, more serious than suggests.

Lady Robson and again (a 1973-74) the pound was able to sink in spite of the fact export delivery dates had become longer and longer. Not only is it costly to let the exchange rate drop but it is also fun all it does is to make delivery dates longer still.

Yours faithfully,
ANDREW TESSLER,
ITI Research,
185 Piccadilly,
London, W1V 0EE.

Break in house buying chain

From Mr and Mrs C. Thornton

Sir, A variety of reasons, including that of a healthy middle-class urge to move to a nicer house, we recently went through all the manoeuvres of trying to sell our house and buy another one. All the costly formalities necessary to buying the new house were completed; we were ready to buy. But then our "buyer" suddenly found he couldn't buy our house. Why? Because his buyer's buyer didn't want to buy any more.

So we can't buy the house we want because our buyer's buyer changed his mind. Nothing personal against the individual; but in one of the world's centres of finance, must such a whimsical system be accepted as inevitable? (In Scotland, or even the United States, they manage to do it differently, apparently removing the need for a succession of improbable coincidences to 'take place'.

Anybody for the Society for the Prevention of Miracles in Housing?
C. THORNTON,
SUSAN THORNTON,
48 Cromwell Avenue,
Highgate,
London N6.

Index-linked home policies

From Mr J. D. Worthington

Sir, In his letter of May about the maintenance of quote insurance cover on its hold properties and goods, R. Valentine asks "my go window shopping once a to re-value everything?"

A number of insurance policies already provide it linked policies which have effects of inflation. For example General Accident's new plan and new economy hold insurance policies amounts insured month month.

(1) For buildings, in line the Royal Institution of Surveyors' Housing Index.
(2) For contents, in line the Retail Price Index.
Provided that the amounts insured are correct at the set and that adjustments made when any new item acquired, these policies will fully protect the policy by keeping the amounts insured in step with the rate of inflation.
J. D. WORTHINGTON,
Manager, Fire Department General Insurance Fire and Assurance Corporation Ltd General Buildings,
Perth, Scotland, PH1 5TP.

Scottish new town finds 750 more jobs

Negotiations are being completed with six companies to bring more than 700 jobs to Irvine new town on the Ayrshire coast, it was announced yesterday. Three companies are to move into purpose-built factories, providing 350 jobs, and a further three are to move into advanced factories, providing 400 jobs.

Some companies already there are planning to expand, providing at least another 100 new jobs. Industries involved included engineering, printing, freightage, drinks, electronics, computers, and domestic equipment.

Safeguards on profits decision awaited

By Ronald Emiler

Industry and commerce will learn tomorrow whether their pleas for better safeguards related to the Price Commission Bill, have been headed by Mr Hattersley, Secretary of State for Prices and Consumer Protection.

At meetings last week, both the Confederation of British Industry and the Retail Consortium told him his proposals were unacceptable and that he should retain, at minimum, the safeguards on basic profits contained in the present code. Mr Hattersley promised to give serious consideration to their representations, and to meet them again before publishing a consultative document for next Wednesday's report stage of the Bill.

The CBI believes that Mr Hattersley's proposed safeguards could have the protection given to some companies compared with those in operation, a move which would undermine confidence and investment, industrialists argue.

The retailers have told Mr Hattersley that whatever safeguards are provided, will be seen by some as a guide to what the Government regards as a fair and reasonable profit margin until the new Price Commission establishes a corpus of precedent, and that as proposed they are far too low. This wrangle over the safeguard clauses are only part of continuing dilemma for Mr Hattersley centred on the new Price Commission. He has still to name the new

chairman, and industry sources suggest that he is having an extremely difficult time in persuading anybody from the higher ranks of industry or commerce to fill the post.

It is being suggested that final details of the safeguards are being awaited as they will indicate how severely the Government expects the wide ranging powers of the new Commission to be used.

Once the package is known, then potential candidates will be able fully to assess the role of the new chairman. It is also being suggested that Mr Hattersley could be "generous" in granting safeguard provisions, because after an initial period there would be little difficulty in tightening them up.

Metal Box Preliminary Results

Sales exceed £700 million

Sir Alex Page, Chairman, reports:

"The general pattern of the year, both at home and overseas, was one of steady progress. This was reflected in output, investment, sales and profits. In most countries where the Group operates the industries which it serves passed out of the worst stages of the recession.

"In the United Kingdom, there was substantial growth in the demand for canned beverages, while canned food sales benefited from the high prices of fresh fruit and vegetables.

"Overseas, the Indian and Italian subsidiaries both recovered from the difficulties of the previous year.

"While demand continues to be satisfactory, a major handicap is the frustration felt about levels of pay among a number of employees, particularly skilled employees whose differentials have been eroded in the successive phases of incomes policy. This frustration has culminated in recent months in disruption to production in some of our factories.

	Year to March 1977 £000	Year to March 1976 £000
Sales		
Home	451,364	341,893
Overseas	256,809	182,595
	708,173	524,488
Profit before taxation		
Home	37,732	22,960
Overseas	19,941	10,046
	57,673	33,006
Profit after taxation	29,775	15,450
Interest of Metal Box Limited	30,033	14,623
Earnings per £1 ordinary stock unit	43.8p	33.7p
Total dividend per £1 ordinary stock unit	13.31p	12.1p

"The new organisation, introduced in the latter part of 1975, has settled down and is operating in an efficient and effective manner. I attain the age of 63 in July and therefore intend to give up the duties of Chief Executive after the Annual General Meeting, although I have acceded to a request from the Board to remain as Chairman. Therefore, on 1st August 1977 my responsibilities as chief executive will be assumed by Mr D. I. Allport who will be appointed Managing Director. Mr R. J. Frost, who has today been appointed a Director of the Company, will, on 1st August, succeed Mr Allport as Chairman and Chief Executive of Metal Box Packaging Limited."

Interest on borrowings and loan stocks amounted to £8.75 million. An interim dividend of 5.85p per £1 stock unit was declared on the ordinary stock of the Company and paid on 10th January 1977. The Directors recommend the payment of a final dividend for the year of 7.46p, such dividend to be payable on 22nd July 1977 to holders on the register on 24th June 1977.

With the related tax credits taken at 35/65ths of the amount of these two dividends, the dividends and tax credits, which together amount to 20.4768p, represent an increase of 10 per cent over the dividends and related tax credits for the previous year.

Should the rate of Advance Corporation Tax and of the tax credit attributable to the final dividend be reduced below 35/65ths, the Directors recommend that a supplementary dividend shall also be paid in respect of the year ended 31st March 1977 (subject to the Government's dividend limitation policy or with the authority of H.M. Treasury) equivalent, with the tax credit attributable thereto, to the amount of that reduction, payment to be made at such date and to the members on the register at such time as the Directors may determine.

Expenditure on fixed assets in the year at home and overseas was £33.8 million, which included £3.1 million arising on acquisitions.

Accounts for the year ended 31st March 1977 will be posted to stockholders on Monday 27th June 1977.

The Annual General Meeting will be held on Thursday 21st July 1977 at The Dorchester, Park Lane, London W1 at 12.30 pm.

Metal Box
A good business to be in

BEARER DEPOSITARY RECEIPTS

Following the DIVIDEND DECLARATION by the Company on 14 April 1977, NOTICE is now given that the following DISTRIBUTION will become payable to Authorised Depositaries on or after 10 June 1977 against presentation to the Depositary (as below) of Claim Forms (obtainable from the Depositary) listing Bearer Depositary Receipts.

Gross Distribution per Unit	5.00 cents
Less 15% US Withholding Tax	0.75 cents
	4.25 cents per unit

Converted at \$1.7182 = £0.024735 per unit

At the Annual General Meeting held 12 May 1977 a five-for-four split of the capital stock of the Company was approved for payment on the 24 June 1977 to holders of record 24 June 1977. On or after the 24 June 1977, unless the Depositor should lodge the existing Bearer Deposit Receipts for a stamping together with a covering letter of instruction (duplicate) detailing the denominations in which the a fractional entitlement of units are required. Cash will be in lieu of fractions of units.

DEPOSITARY
National Westminster Bank Limited,
STOCK OFFICE SERVICES,
(2nd Floor),
41 LOTHBURY, LONDON, E.C.2
3 June 1977.

FINLAY PACKAGING LTD

(Printers, Manufacturers and Converters of Packaging Mater

The 21st Annual General Meeting of Finlay Packaging Ltd was held on 8th June in Belfast. Mr. R. N. D. Langdon, F. the Chairman, presiding. The following are extracts from Accounts for the year ended 31st December, 1976:—

	1976	1975
Year ended 31st December		
Profit before tax	£463,573	£231,545
Taxation	£234,742	£119,806
Net profit after tax	£228,831	£111,739

ACCOUNTS: The company has achieved increased turnover the year and a record trading profit before taxation. Your tions consider it appropriate to recommend to stockholders increase, in the authorised share capital of the company a capitalisation issue from reserves on a one for one basis.

TRADING CONDITIONS: The recession and uncertain c tions in industry, along with continuing inflation and control, increase the pressure on profit ratios. It is impo to forecast over the next period, when our major customer preparing for changing laws on full integration into the I

EDITORIAL

BY THE FINANCIAL EDITOR

Crystal gazing at Metal Box

Many other thriving but mature firms, Metal Box is approaching the stage where it could become a victim of success.

On the evidence of yesterday's jump in profits from a depressed £33m to £40m, its obvious confidence in its prospects there is still plenty of room in the mainstream packaging industry despite an excellent record on innovation, moves into new casing as with the acquisition of Venesta areas expansion like the Nigerian tile factory, Metal Box is still tied to the packaging cycle.

It can look optimistically at certain points—expansion of take-home sales could double the demand, but it must be only too well aware that much of the market could be reached in five years.

Investment path has already been chosen by the United States group. A Can and Continental have halved their share to under a third of its over the past five years. But if it hopes to achieve its aim of getting a return of its sales away from packaging in three years, it will need to make a sizeable acquisition.

Investment move is shaping up as a difficult market; it now is a tenth of Metal Box's sales. It is hard to see it finding another like Ideal Standard's European

Estate and following the sale of its majority interest in the Victoria shopping centre Nottingham.

At 34p, up 81p since the sale, the shares could now stand in line with the group's new asset value. But when the initial enthusiasm for the shares wears off it will be difficult for this price to be sustained without a clear view of the group in its post-disposal form. MEPC, which yesterday reported pre-tax profits for the half-year up from £1.5m to £3.97m is also attracting support, which is more enthusiastic than reasoned.

The shares held on to earlier gains at 89p on the half-year figures, helped by the prospect of a better than nominal dividend this year.



Sir Gerald Thorley, MEPC chairman.

Much if not all of this half-year's improvement at MEPC relates to loss-elimination, particularly in housebuilding. Net of all capitalized charges the underlying improvement is from a revenue loss of £1.35m to a loss of £249,000, a creditable improvement but not yet a sign of blooming health.

Ungranted overseas tax losses keep the tax charge at over the 60 per cent, and as a 1p per share dividend would cost MEPC £1m, shareholders can hardly expect more than that this year, although for the group to maintain institutional support they can also hardly expect less.

Elimination of United Kingdom housebuilding losses; completion of the Kahala Hilton sale; successful completion of the £20m Frankfurt development; talks for the £28m sale of the Canadian subsidiary and reversionary growth running at around £2m a year at home weigh one side of the equation in MEPC's favour. But the residual share of the group may not be quite as appealing as the steady elimination of problems implies.

The Exchange Centre development in Sydney, problems letting the Manhattan Centre in Brussels and the £2m a year holding costs of the Munich development sites give three good reasons for caution. MEPC's shares stand at around a 40 per cent discount to fully-diluted assets a rating that takes adequate allowance of the difficulties overcome so far.

fast is the very?

often overcomes fact in the property sector. And the fashion cycle is now furiously from the survival stage recovery and back into the growth stage. Before property shares again the indiscriminate heroes of investors it is worth trying to see what and what is fashion in the recovery far.

al & Counties and MEPC, two stocks currently in danger of falling into this heroic stage, provide examples of the fashion cycle run-way with itself. As we said 10 days ago, PC's shares would be chased up to 30s on the sale of the Knightsbridge

m for the genuine investor

lies sometimes turn out to be the stage. Thus, the chairman of the City's most highly regarded fund, J. H. E. Cunningham, in an analysis of the circumstances giving rise to the failure of the part of the action on recent applications heavily oversubscribed, the £15m issue from the Borough of Richmond, was over-subscribed, estimates, by anything up to 30 per cent, and applications for anything £25,000 were cut out altogether. £10 paid, has since traded at 4s, so it is small wonder that the investors' thus excluded were disappointed.

It is in the premium at which the fund is sold, the seeds of both the caution and the investors' desire to be found, quite pertinently, that the fund is only £10 paid on a share, there is plenty of opportunity to make a killing on a small case where a stock is expected to rise. Any concessions to investors—allotting stock on the applications first, for example—by believe, bring a flood of such cases from putative grandmothers on suits from John O'Grady's ad. And with this in mind they advise any issuing authority to be bigger applications first.

The cost of servicing the smaller applications is, of course, a further consideration for the issuing authority, so is the time involved—two or three days, perhaps, which for an investor who has sent in 10 per cent of an application for maybe £25,000, implies no small sum in interest foregone.

Since the commission which the broker obtains will be based on the amount raised rather than the amount subscribed for, he has little interest in encouraging the stage—no more, at any rate, than is sufficient to see the issue off well enough to please those who have subscribed without alienating his clients into wondering whether they have offered terms too favourable for their money.

The fact remains, though, that the small investor—the genuine investor—comes poorly out of any such arrangement. That, in the case of the Sunderland issue, he can "pick up" stock at a price less than he would have subscribed had he been able is an accident of fortune rather than an adequate justification for the system.

So the question which arises is whether, in the case of such local authority issues—which are likely to become much more frequent in the months ahead—there is not a case for abandoning the old convention of offering the stocks partly paid. That might make for a rather less buoyant start on the market. But it would at least provide the genuine investor with a more equal opportunity to place his funds to maximum advantage.



The coal gasification development plant at Westfield, Fife.

Can coal plug the gap when natural gas runs out?

Looking across the Atlantic at the "troubled" natural gas industry in the United States is a sobering exercise for executives of the British Gas Corporation. Once plentiful gas reserves are now dwindling fast and the utilities that provide a third of the country's energy needs are now casting around, not particularly successfully, for alternative supplies.

The gas supply in the United States is rapidly becoming critical. In most parts of the country it is impossible to get gas for new homes and factories. Last winter's severe weather, when some utilities were unable to meet demands, exposed the shortcomings of the gas industry.

Utilities are now looking everywhere for new supplies. Gas produced in association with oil in the Gulf of Mexico and Alaska will help to meet some of the demand, but imports of gas from Africa and the Middle East in liquefied form. But it seems that the most likely outcome will be a continuing switch from gas to oil, which in turn can only increase the undesirable effect of increasing the United States oil import bill.



Mr. Ray Sherman, director of the British Gas International Consultancy Service: Warnings from the United States.

In many ways Britain in the 1970s is now like the United States of the 1950s before gas started to become scarce. Ample domestic reserves are available mainly from the North Sea. Supplies are still cheap compared with other fuels, and gas continues to build up an increasing share of the national market.

"When we look at the United States, we could be looking at our own future," said Mr. Ray Sherman, head of the British Gas International Consultancy. But the lesson appears to have been learnt and British Gas is taking out an insurance policy against the day when the North Sea reserves begin to run out.

It is an insurance policy based on producing gas from coal and one that could be capable of a large contribution towards solving the American gas supply difficulties.

The United States has vast reserves of coal, probably enough to last two or three

hundred years, much of it suitable for being turned to gas. And the use of coal to make gas would certainly fit neatly into the evolving United States energy strategy.

President Carter announced in his energy message that he would like to see coal consumption in the United States doubled. All that stands in the way of coal becoming a major feedstock for the gas industry is the difficulty of producing a gas compatible with the natural gas that will still continue to flow through the extensive United States pipeline network for many years to come.

Technology for producing gas from coal is well established. But the end-product had a low heat value and cannot be used with the much richer natural gas. British Gas has now combined its expertise in the coal-gas making field with American money and come up with a process for producing synthetic natural gas from coal, that is compatible with natural gas.

Last week a consortium of American companies led by the Continental Oil Company, signed a \$24m contract with the American Energy Research and Development Administration (ERDA) to design a coal gasification plant for Eastern Ohio using technology developed in association with British Gas at Westfield in Scotland.

If the design is judged successful, ERDA will put up half the money for a \$250m demonstration plant that will use 3,500 tons of coal a day to produce 60 million cubic feet of synthetic natural gas. Private industry will fund the rest of the development and ERDA hopes that by putting funds into a project for the first time it will help to prove the commercial viability of the gas-making process and encourage gas utilities to build a series of much larger units across the United States.

British Gas will receive royalties on its technology used in these plants. But, Mr. Sherman says, this is not the most important aspect of the deal with the United States. Once the techniques developed on a small scale at Westfield are turned into full-scale operating plants the technology will begin to advance.

Contracts signed with the Americans will ensure that any advances made on the basic techniques will be available to British Gas if and when it decided that a gas-from-coal plant is needed in the United Kingdom.

The most likely initial application in Britain of the technology—the device, gas under the name of a "sleazebag gasifier"—would be to help offshore gas supplies meet the peak winter demand. But it could come into its own as the energy of the next century when the offshore reserves will be well past their best.

At present coal prices, producing gas by this method could cost four or five times as

much as supplies from the North Sea. But in America, where the cost of coal is about one sixth that of deep-mined coal in the United Kingdom, the initial demonstration plant might be able to produce gas that was only twice as expensive as natural gas.

Of course, the "sleazebag gasifier" which is a more sophisticated development of the German Lurgi process for making town gas, is not the only process for coal gasification. The United States is pouring money into research, including plans for in-situ plants where the coal is gasified while it is still in the ground and only the gas is pumped out. But this is a technology that is a long way from being proved and it is unlikely to make any significant contribution to energy supplies before the end of the century.

The British gas industry's record in gas-making technology is impressive. In the 1950s it took and improved the German Lurgi coal gasification process. But before a large-scale programme of Lurgi plant building could be implemented, the gas industry had developed its catalytic rich gas (CRG) process to make gas from the plentiful supplies of cheap imported oil that were then available. In turn this was rapidly overtaken by the advent of natural gas from the North Sea.

CRG technology is already a best seller overseas, in the United States alone, 1,200 million cu ft of synthetic natural gas is produced daily by this process—the equivalent of the output of an extremely large natural gasfield. It has one major disadvantage—the oil feedstock—and this is the reason why the "sleazebag gasifier" may take over as the top technology royalty earner.

But paying insurance premiums on a technology that could provide a viable coal gas making process for the beginning of the next century may not be enough to prevent the gas industry from running into difficulties. Replacing its entire North Sea production would require more than 60 plants, consuming 96,000,000 tons of coal annually, which is only just short of the National Coal Board's 115,000,000 tons a year deep-mined coal output.

It is clear that long before the gas begins to run out the gas industry will have to reduce the number of its customers substantially, particularly those in industry whose claim to be premium users is doubtful.

Economic notebook

The investment boom may be a little late

Too little investment has often been blamed for Britain's slow growth and lack of competitiveness. The depth of the last recession and the snail's pace of recovery has recently shifted the focus from industry's failure to build new factories and machines to their inability to use the full their existing capacity.

But private investment, with exports, is the hoped for engine of such growth as is expected in Britain this year and next. And more spending on investment is crucial for Britain's medium-term prospects.

Indeed discussion about North Sea oil usually centres on how to put aside for the future some of the once and for all boost to the nation's wealth, by investing rather than consuming the oil revenues. It usually ends with little more than pious hopes and crossed fingers that businessmen helped by government will find the opportunity, incentive and cash to spend in a way that they usually have not in the past.

At the moment the outlook is confused. Forecasters inside and outside the government expect a strong recovery in capital spending this year and in 1978. The timing differs: for example, the National Institute forecasts in their review last week, a 15 per cent pick up in real investment in 1977 over 1976, slowing to a 12 per cent rise next year, while the latest survey of investment intentions by the Department of Industry suggests that the 1978 upsurge will be twice as large as this year's rise.

But this survey was one of two pieces of recent official news which cast a shadow over the general optimism about short-term investment prospects. The survey of intentions shows a scaling down in manufacturers' plans for spending this year with a projected rise of 10 to 15 per cent in place of the 10 to 15 per cent predicted last autumn. There was a corresponding rise in spending plans reported for 1978, but that inevitably looks like jam tomorrow.

The other dampener was the sharp and unexpected fall in manufacturing investment shown in the preliminary figures for the first three months of this year.

Not much concern has yet been expressed about these two hints that business spending may not be as buoyant as hoped. On the one hand, it is simply scepticism about the accuracy of the official figures. The figures for investment volume, are expressed in constant prices, which involves deflating back seven years to 1970 prices. This is a very long time.

Another reason is that other surveys of business plans are still bullish. These include the usually reliable CBI trends survey and the latest Financial Times survey of business opinion.

But perhaps the most important reason for believing in the present revival in investment volume is just that it has been so very low in the last two years.

After an unusually weak boom in manufacturing investment in 1973-74, there was an unprecedented sharp fall in 1975 and a further fall in 1976. In 1976 the volume of capital spending in industry (manufacturing, distribution and services, and shipping) was the lowest since 1969. The private sector as a whole invested just 3 per cent more last year—in volume terms—than in 1976, and less than in any year since then.

Industry still has a wide margin of spare capacity on all the

usual measures. But the severity of the recession, and the steep and sudden fall in investment early in the cycle, makes these indicators unreliable.

Many of the schemes scrapped in 1975 as the slump and accompanying liquidity crisis hit British industry included plans for replacement investment. This suggests that a lot of the fixed capacity which is "spare" is in fact antiquated, and could not be used to expand production profitably.

And despite the sluggish growth in output now, and forecast for the near future, there has been a turnaround in business confidence this year which has encouraged managers to get their spending plans out of moth-bait. Some at least of this is due to increased optimism about exports, which are now beginning to take a central place in companies' planning.

There are other factors in the improved business climate. Profits have recovered slightly from their sharp fall. A relaxed price code leaves room for more profitability.

There has been a definite improvement in the cash position of industry, although this is more because of the low level of activity than because of a boost in profits. It will probably not last into next year, however, as the upturn in output continues. There is also a danger that some involuntary stock building is now taking place, which could lead to some second thoughts about planned expansion for next year.

A slight puzzle persists about the financing of industry's present buoyant spending plans. They cannot all be financed out of profits, and yet business demand for loans remains very flat.

This year's sharp fall in the cost of interest rates may encourage some more borrowing—or taking up of advances already arranged—and it certainly helps to cheer up business opinion. But it does not explain the level of capital spending planned for this year and next.

The cost of finance is usually of much less importance for businessmen's spending plans than the outlook for sales and profits. Its effect is especially difficult to forecast when the rate of inflation is high, and variable, as at present. Negative real interest rates do not seem to encourage borrowers, not least because the inflation which causes them increases risk and uncertainty.

Which leads to one of the biggest imponderables about the future investment outlook. A renewed surge of cost inflation with a breakdown of pay restraint would hit at both profitability and confidence.

In the British battle between labour and capital for the returns on production, labour has been the victor in the 1970s. But the victory is a pyrrhic one, as the low profitability of British industry has undoubtedly contributed to its poor investment record in high and slow growth. And the investment needed to exploit the North Sea riches, and to provide at least some of the many jobs needed to bring down unemployment, will not be forthcoming without a sustained profits revival.

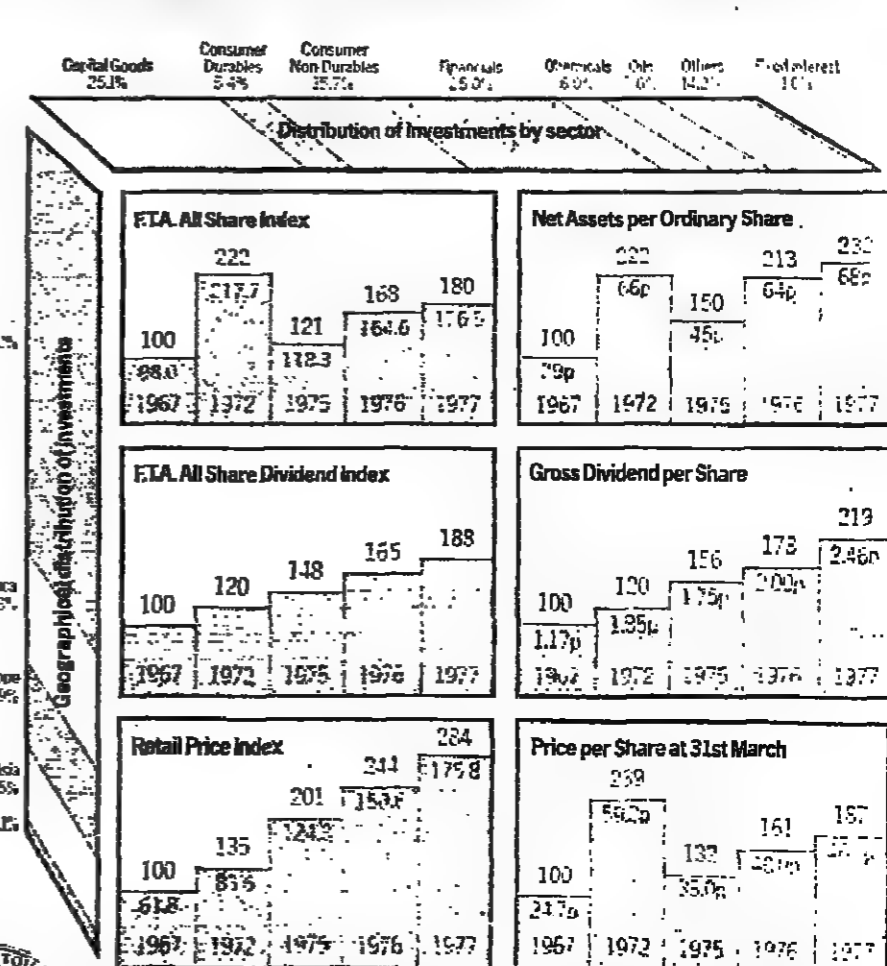
The TUC's answer to low investment is to call for more government intervention to increase, and if necessary implement, new spending plans. The Government's answer is to encourage industry through its industrial strategy. Neither is very convincing.

Roger Vielvoys

Caroline Atkinson

Atlas Electric and General Trust Limited.

Total assets at 31st March 1977—£874 million



A member of the Touche, Remnant Group of Companies. Total funds under Group management exceed £600 million.

The Accounts can be obtained from Atlas Electric, Winchester House, 77 London Wall, London EC2N 1BL.

Davies writes: Sir Christopher Soames, who has been called a "problem" quite often, called him on the board of the Bank of England's N. M. & Sons.

It is a pity if a little said: "I feel fine," said that his non-part-time job did not give him up politics. Sir Soames, who has been called a "problem" quite often, called him on the board of the Bank of England's N. M. & Sons.

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Photograph by David Jones

Standing and yet not standing: Sir Christopher Soames at Rothschild's yesterday.

name forward for any Conservative seats, although he added that he would be seeing his doctors again "in two or three months' time".

Sir Christopher had been seen as a leading contender to stand for the vacancy at Saffron Walden caused by the death of his fellow "European", Sir Peter Kirk.

"The experience that will be of most use to Rothschild's," he told me, "is that of the last four years as vice-president of the (European) Commission and as Commissioner for External Relations."

The Community did 40 per

cent of the world's trade, he went on, and external affairs had been his department's main responsibility.

Sir Christopher has held two previous directorships, both running from the time he (then Minister of Agriculture and Fisheries) lost office in the general election of 1964, and until he went in Paris four years later.

He was a director of Decca and of James H. & Co., a small Newark brewer, later replaced by Courage, itself about to disappear into the cigarette makers' Imperial Group.

It seems clear that both Sir Christopher and Rothschild's are serious about international business. It is perhaps as well that he is not directly involved in the property side.

He had satisfactorily disposed of the lease on his Brussels home, he told me, but having rid himself of one central London flat he had since been obliged to pay "double for one half as nice and twice as far out".

In comes Sir Christopher, out goes Raymond Bonham Carter, a director of merchant bankers, Warburg's, who is to succeed Graeme Ogden, as director of the Department of Industry's Industrial Development Unit.

Ross Davies closes his Portuguese notebook.

I learnt something about the Portuguese—among others—during a walk around the Lisbon International (Industrial) Fair.

It showed me, for instance, that far from seeing technology as at worst a threat and at best a bore, the Portuguese enjoy it with a wonder and an enjoyment, perhaps, as director of the Department of Industry's Industrial Development Unit.

Bonham Carter (brother of Mark and son of Violet) will be on a two to three year secondment after Ogden decided to join Sir Arnold Weinstock's GEC as an associate director. Warburg's and Bonham Carter were approached by emissaries from the Industry Secretary, Eric Varley, and decided to take the offer within two or three days.

"We strongly believe in the continuing and increasing exchange of personnel between Whitehall and the City. We have already carried through a number of similar exchanges and it was not too difficult to decide," Bonham Carter told me yesterday.

He has spent his career in the City, first with Schroders and then with the Bank of England, where for five years until 1963 he served as an adviser.

How else can one explain the slushers, from pairs of young

lovers to mums, heads and toddlers, whom it cost 25 pence to see (40p) each to troop around displays of "Technical assistance in the construction of by-product cake plants"?

The very creditable British stand concentrated on such worthy and expensive items as forklift trucks, a rare sight of fancy being a vehicle called the Iron Fairy. By far the biggest stand, however, was that of the USSR.

This showed everything from a model of the advanced color phone to burps and—in Portugal very naughty to my mind—tins of Caspian sardines.

I saw books, most of them by or about Lenin, not only in Russian and Portuguese but in French and Spanish, the most popular foreign languages.

Not that I expect anybody will believe it, but when I picked up and opened the English version of Lenin's On Britain the first page I saw read:

Great Britain has protected Portugal and her colonies in order to fortify her own position in the fight against her rivals. . . . In return Britain has received commercial privileges, preferential conditions importing goods and especially capital into Portugal and her colonies.

In Alhambra for the annual conference of our own Electrical Contractors' Association I was amused to hear that the night before the hotel fires had failed and the 360 delegates, the cream of the British electrical industry, were issued with candles to light their way to bed.

FINANCIAL NEWS

Eva Inds
reboounds
to top
£2m

By Our Financial Staff

Eva Industries has more than recovered from its decline in 1976. In the year to March 31 last, pre-tax profits jumped from £1.1m to £2.03m, the first time the £2m mark has been passed. Sales jumped from £12.74m to £20.76m.

In the half-year to October 2, pre-tax profits more than doubled to £871,000, compared with £402,000, on sales up from £5,97m to £9,67m.

With the full year's profit, after tax, up from £541,000 to £1,131m, earnings per share up from 8p to 14.5p, the total gross dividend rises from 5.1p to 5.6p.

The board explains that the year's figures include Acumy Industries, Metalurizac Ltda, which were not included in the previous year's results. Pre-tax profits for 1976-77 are after charging minority interests of £274,000. Earnings per share for 1976-77 have been adjusted for last year's rights issue.

Mr T. R. Aylett, the chairman, tells shareholders that 1976-77 was a year of "mixed fortune". Nevertheless, progress was made in almost every company in the group—Eva's divisions cover agricultural tools, engineering products and services, forging, as well as an investment division and an overseas section.

Despite the fact that the board discerns no significant upturn in those sectors of United Kingdom industry in which Eva operates, it is nevertheless forecasting an increased profit for the year to March 1978.

Stock markets

Gilts lead the way down

With 4,804 markets yesterday, the Stock Exchange showed all the predictable signs of having enjoyed a good party with little inclination to rush back to work. The close of business saw the FT 100 down 2.1 at 435.7, which revealed some resilience from the lunchtime drop of 2.7. Gilts edged upwards led by the down on fears of higher interest rates in the wake of an upturn in United States Treasury rates. Long-dated stocks showed signs of recovery, 20p and medium and short maturities dropped about 25p.

The unseemly spilled over into "blue chips" and, after a further start, leaders replaced small

J. Brockhouse story sprung at 3.10, one penny after from the 1976-77 peak of 39p. The interim figures showed last month's net income of £1.1m, a 10% increase on the year, but the stock price fell to 28p, a 10% drop from the 31p level at the end of the year.

Of the remainder, Hanson Trust stood out with a 4p increase to 126p.

For the rest, it was the speculative situations and sentiment which held sway. Star turn here was Matthews Holdings, the

company which had started bid talks. Matthews climbed 5p to 48p and dealers were quick to light on the companies where the group has significant stakes.

Thus, the 39.1 per cent-owned food importer and distributor, A. J. Mills, rose 7p to 64p and the Dixor cosmetics interest, where Matthews controls 57 per cent, rose 2p to 27p.

Concrete, too, enjoyed another good day in further consideration of the bid approach from the Saudi Arabian company, National Chemical Industries.

Molt Lloyd had a good run with a 5p rise to 91p and other bright spots included toymaker Dunbee-Cox-Maxx, timber stock Magnet Southern and

Bamro Property, up 4p to 124p, Land Securities and Great Portland Estates, up 2p to 188p and 242p respectively, showing the way.

Metal Box, another "major" publishing profits yesterday, made little or no impression and the shares stood still at 31p, but the story was quite different at James Finlay, the overseas trading group.

It will have to wait for the rest of the market to obtain dividend freedom but, as predicted in these columns last week, the 12p rise to 23p, yesterday, McCracken, the printer rose with the best of them to 20p, up 12p. Peglar-Hattersley, the valve manufacturer and engineer, was not far behind with an 8p jump to 20p.

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George Dew, while Reckitt & Colman, the diverse foods and pharmaceuticals manufacturer, climbed 5p to 32p on renewed consideration of its so-called "wonder" drug, Al X. Dart, up 4p to 49p, was again the target of bid rumour.

Outside the run-of-the-mill United Kingdom equities list, South African gold stocks were in demand. Buying was prompted by the annual accounts from Consolidated Gold Fields.

Peglar-Hattersley went against the trend, rising 8p to 20p but one unimpaired comment came about weakness in "certain traditional markets". The softness is thought to be in values for industry and building. The news made some observers wonder about Serck and Lake & Elliott though Hopkinson is thought to be in a stronger position, alive business is said to be hard to win and margins are under pressure.

Although closing below their best, heavyweights such as Anglo American Gold, Gold Fields of South Africa, West Driefontein, Saint Helena and Randfontein saw rises of as much as 75 cents.

Other than gilts and several leaders, losses included Hummel, which lost 10p to 18p, and Leboff (Fobel), the DIY import-export group.

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Engineering
and US pick
up to cheer
Sears Hldgs

By Our Financial Staff

Over 1976-77 the results of Sears Holdings were seriously marred by losses at the United States knitwear group, but Sir Charles Clode, the group's chairman, is looking for an improvement this year. He does not, however, expect an immediate return to profits.

Also, the group's engineering interests, particularly knitting machines, have been reorganised, and a recovery in these two important areas should "materialise" as the group in the future.

As Sir Charles noted last year, the group is mainly dependent upon an upturn in the United Kingdom economy and he still regards cutbacks in public expenditure in the short term as a long-term reduction in personal taxation to be prerequisites for real and lasting progress.

The group continues to suffer from ever-increasing running costs, and each year a greater effort has to be devoted to getting and giving value for money. While this makes the group efficient, he notes that it nevertheless tends to result in reduced return on the capital invested in each activity.

This year the group's accounts have become subject to the rules valuing stock and work in progress set out in the statement of standard accounting practice No. 9. This basis differs from that used by the group for many years, and the board has decided not to change as it considers its method to be "more prudent" and says that it apportions the trading results more fairly between the accounting periods.

The auditors, Price Waterhouse, are, however, required to qualify the accounts.

If the group had conformed, pre-tax profits would have been £1.1m higher for 1976-77 at £43.5m and the tax charge £60,000 higher to give a net profit of £14.9m against £14.4m in the actual accounts.

Since the start of the current year, trade at the footwear division has shown an improvement on the same period last year, but the board cannot say how the year will continue, "until the present political and economic uncertainties are clarified."

The stock group, which includes Selfridges and Lewis's, had a satisfactory year and continues to expand.

James Finlay shows its paces
with near threefold jump

By Tony May

After a year in which all activities and profit centres moved forward, James Finlay, the international trader and financier, has emerged from its period of reorganisation with nearly trebled pre-tax profits of £11.3m for 1976. Turnover went up 85 per cent to £52.1m giving margins of 21.6 per cent against 13.3 per cent. Earnings a share have jumped from 18.8p to 54p excluding extraordinary items.

The result is no flash in the pan. The first five months of the current year have produced results better than the group's budgets, and a good result is in prospect for the full year.

The group's shares jumped 16p to 230p on the results to give a yield of 3.9 per cent.

The board is raising its dividend from 8.39p to 9.02p gross. The group recently asked the Treasury for concession from the dividend restraint in view of the large overseas interest it has, it was not successful but the board notes that the

present controls are due to come off in July 1978.

Under present legislation the best shareholders can look for in 1977 is a payment of 9.9p gross for 1977, but the board intends to pay 20p gross for the year—with the bulk coming as a second interim after—and if a dividend restraint ends.

Meanwhile, Finlay has shown that the recession is good for a company with its type of activities. It has weeded out unprofitable and low-yielding companies and has enough resources to have no inhibitions about investment anywhere.

Group policy is to operate internationally with a number of varied interests in many countries. This should balance local economic, tax and political factors. It also has enough interest in the United Kingdom to avoid problems with a relieved A.C.T.

At half-time, the group pushed its pre-tax profit up 52 per cent to £21.7m with tea and confectionery continuing to recover. The second-half produced a leap in profits from



Sir Colin Campbell, ch of James Finlay.

£2.3m to £9.1m, with a 100 per cent increase in the George & Sons group, a pure good result from the Ken activities, and the Au "insistent" tea group.

New US offshoot
helps boost Hanson

By Richard Allen

Boosted by first-time contributions from its new United States subsidiary, Hanson Trust's pre-tax profits leapt 43 per cent to a record £11.22m in the six months to March 31.

The new subsidiary, Hygrade, which is claimed to be the second-largest meat-processing group in the United States, shipped in £2.5m of pre-tax profits before financing costs of £800,000. It brought in new sales of around £140m helping take total turnover for the period up from £73.6m to £234m.

Sir James Hanson, chairman, says that all divisions in the United Kingdom and the United States made good progress and that "results for the full year will show substantial improvement on those of the record-breaking 1975". Last year's total was £12.13m pre-tax.

The improvement is marked by a maximum increase in the interim dividend to 4.23p gross and a similar year-end boost is forecast to take the total payment to 9.53p gross.

As a result of latest acquisitions Hanson now gets four-fifths of its sales and more than two-thirds of its profits from the United States and its United States division Hanson Industries is rated amongst the top twenty foreign owned United States corporations.

The group intends to use a strong balance sheet to continue selective expansion both in the United States and the United Kingdom.

Hanson's industrial services division in the United States is mainly textile-related business—

FINANCIAL NEWS AND MARKET REPORTS

Pegler-Hattersley
slip from associates
and metal gains

Our Belfast
year to April 2 proved
a record one for Don-
ald Pegler-Hattersley,
metal producer, and
general industrial com-
ponent. In the
week to April 2, sales
of £80.18m—an increase
of 25.75 per cent to
the previous year.

A share rose from
29.5p to 30.5p and the
dividend is going up from
1.95p to 2.05p. Moreover, while
some weakness in "cer-
amical markets", pre-
tax profits were "satis-
fying", the company
is maintaining its position
at 78.

Its trading profits ac-
crued £10.4m to £9.7m,
share of associated com-
panies jumped from
£7.2m to £7.8m and this
year took credit for
0 interest received, com-
ing a charge of £236,000.
In addition, the esti-
mated stock appreciation
from £100,000 to
£110,000.

The first half, pre-tax pro-
fits rose from £5.5m to £7.2m
up from £3.5m to
£4.0m over the full year,
profits dipped from
£3.4m to £3.0m, with
less than doubled
£1.47m, interest
received of £54,000, com-



Mr James Harrison, chairman
of P.H.L.

pared with a charge of £224,000
and metal stock appreciation of
£825,000, against a depreciation
of £50,000, a good increase was
achieved at the pre-tax level.
Mr James Harrison, chairman,
reported that the associ-
ated companies, which operate mainly
overseas, had a "very successful"
half-year. South Africa and New
Zealand had recovered well,
while earnings by McEvoy Oil
Field Equipment increased sub-
stantially.

The latest results spurred the
market into raising Pegler's
shares 8p to 20.5p.

World Bank
in \$100m
Eurobond
offer

By Our Financial Staff

The World Bank is expected
to come to market at the end of
this week for its first dollar
Eurobond.

The issue, which will be for
less than \$100m, will be timed to
follow the current \$200m two-
tranche issue for the Kingdom
of Sweden.

Although this will be the
World Bank's first dollar bond
on the international capital
market, it has been a frequent
borrower in the market.

Another new issue to be an-
nounced yesterday is a \$40m
floating rate note issue by
Oesterreichische Kontrollbank.
The six-year issue, guaranteed
by the Republic of Austria, will
be at 3 per cent over six-month
interbank rate with a minimum
rate of 6 1/2 per cent.

The \$40m 8 1/2 per cent Euro-
bond issue by the Dutch State
Mines, dated 1987, was priced at
par yesterday in a market which
held steady despite the weight
of issues accumulated from just
before the holiday period. These
include: a \$20m convertible
issue from Mitsubishi Gas
Chemical, due 1992, at 8 3/4
per cent; a 15-year bond at 9 1/4
per cent by Australian Mining
& Smelting, a subsidiary of Con-
sulting Engineers of Australia; a
\$25m five-year issue by
International Financial Corp at 9 1/4
per cent; and a 20m European
Unit of Account 10-year issue
by Imatran Voima of Finland at
8 1/2 per cent.

US still leaking but
McCorquodale soars

By Ashley Drake

In spite of Falconer in the
United States still making
losses, the optimism of specu-
list printer McCorquodale in
February is amply underpinned
with interim taxable profits
more than trebled. This is
thanks largely to the United
Kingdom companies which over-
all performed well in the six
months while the overseas side
continued to make a "signifi-
cant" contribution.

On turnover up 14 per cent
to £23.2m pre-tax profits leapt
from £518,000 to £1.73m—half-
year record with its share of
associates increased £500,000 to
£1.8m. The attributable, before
an extraordinary debit of
£256,000 against a credit of
£98,000, moved from £179,000 to
£534,000. On this, earnings a
share work out at 12.2p con-

pared with 3.4p. Shareholders
collect an interim payment
raised from 6.15p gross to 6.9p.
Falconer, which McCorquodale
bought in 1974, incurred
losses of some £1m in 1975-76.
Of these rather less than half
related to write-offs and Fal-
coner was chiefly responsible
for the decline in group pre-tax
profits from £2.34m to £1.05m.
Falconer were that the deficit,
after a management
shake-up, would be something
short of £350,000 in the present
term.

However Mr Alastair McCor-
quodale, chairman, reports that
though the loss was reduced the
recovery was proving slower
than expected. But a marked
return to profitability by Inter-
print Impressors in Brazil
sparked off an upturn in
associates' results.

Consortium bank talks

A leading London com-
mercial bank could soon be owned
abroad. Credit Commercial de
France plans to take control
of London merchant bank
Brown Harrison and Inter-
national Banks Ltd, active in
commercial lending, corporate
finance, international banking
and money and foreign ex-
change. It has also grown
rapidly in Eurobonds.

Negotiations are still going
on. Credit Commercial already
has 5 per cent of Brown Har-
rison through its interest in
Inter-Alpha, which has a 43 per
cent stake. The Inter-Alpha

group also comprises Banco
Ambrosiano Group, Berliner
Handelsund Frankfurter Bank,
Kreditbank NV, Nederland-
sche Middenstandsbank NV,
Privatbanken SA, and Wil-
liams & Glyn's Bank. They
have 6 per cent apiece.
The Prudential Assurance has
a further 16.53 per cent, and
in America Pittsburgh National
Bank has 10.53 per cent; First
National Bank of Minneapolis
the same; and Brown Brothers
Harriman 20.26 per cent.

Credit Commercial is a
private commercial bank in
a sector dominated by
nationalized concerns.

Boilers now
only a fifth
of Clarke
Chapman

By Our Financial Staff

Any unease shareholders in
Clarke Chapman may have had
after reading about the shak-
ing pains of concentrating
United Kingdom power station
capacity should have been
allayed by the latest remarks of
Sir James Woodeson, chairman.

Yesterday he addressed the
group's annual meeting. He did
not say that outline agree-
ment had already been reached
with Babcock & Wilcox where-
by the two boiler-making
concerns are to set up a new
company to carry on utility
boiler business.

Clarke expects that the equity
of the new enterprise will be
shared between itself, Babcock
and the National Enterprise
Board with none of them in a
majority.

The chairman stressed that
only a small part of Clarke
would be affected. Diversifica-
tion means that about four
fifths of its turnover is now
outside the supply of big boiler
plant for United Kingdom
power stations.

Clarke now does most of its
business in mechanical hand-
ling, marine and mining equip-
ment and energy and process
plant.

The chairman affirms that if
the United Kingdom utility
boiler business does go into a
new group, Clarke Chapman
"will remain a strong company
in engineering for industry on
a worldwide scale".

Alfa car group slash
losses by about half

From John Earle

Rome, June 8

The state-owned Alfa Romeo
car manufacturer, reported a
48,400m lire (£32.3m) loss in
1976, in a year beset with
industrial disputes.

This, however, was an im-
provement on the 1975 loss of
84,700m lire. Of the 1976 loss,
32,500m lire was attributable to
the Alfa Sud works, near
Naples.

Sales declined from 227,000
vehicles in 1975 to 194,000 last
year, of which 51.5 per cent
were exported. Production at
Alfa Nord of 108,000 units was
10 per cent below target, and at
Alfa Sud, 93,000 units was 28
per cent below target.

The company, whose results
contrast with the Fiat car
group's record 1976 profit of
56.4m lire, is undertaking a
capital reconstruction operation
to write off the losses.

The report added that man-
power costs rose significantly
during the year, from 3,900 lire
per worker-hour in 1975 to
4,600 lire.

Japanese survey

The Bank of Japan, in a sur-
vey of 504 enterprises taken
last month, said it showed that
most in the manufacturing sec-
tor complained about poor busi-
ness, or equipment excess, while
many in the non-manufacturing
sector showed some expansion.
The survey on first quarter,
January-March performance,

International

was taken after the Govern-
ment and Bank of Japan had
carried out various fiscal and
banking measures to stimulate
the economy, which left little
time for the survey to reflect
the results. It said the report
indicated a continuation of
Mixed economic performance.

Demag hopeful

Demag AG, the West German
engineering group, will "prob-
ably make a higher net profit
this year than the DM11m
(about £2.6m) of 1976", the
chairman, Herr Otto Blank,
says. This depended he said,
on among other things, develop-
ment of the mass-produced
goods sector in the second half.
So far this year there had been
no change for the better in the
engineering sector, either
generally in Germany or for
Demag.

Bowater-Neptum

Bowater Corporation will
make an offer to re-purchase
the shares of Neptum Inter-
national Holding AG of Basle
between June 27 and August
18, Schweizerischer Bankverein
said in Basle. It is ready to
buy the B series bearer
shares at 500 francs each, com-
pared with the bid price of
480 francs in Tuesday's Basle
pre-Bourse trading. Neptum
was founded as a Rhine steamship
company in 1920.

Westland's warning on
helicopter problems

My news from Westland
last night was that
w of the helicopter com-
problems, group profits
76-77 is now expected to
be less than of last year,
a interim dividend is up
cent to the maximum
able 1.51p net.
he preceding year West-
land from £7.3m to
pre-tax. The board said
embark that the improve-
profitability of the heli-
company was coming
it gave a warning that
tent depended largely on
for which further export
were needed. However, it
looked then to higher pro-
1976-77.

N SEOLUL
The Bank International has
a full banking branch in
Seoul, Korea. The group has
active in Korea for many
and recently made available
line of credit to the Korea
Bank.

M STRINGER
and Mr P. C. Stringer,
commercial vehicle and
spring operations has been
the last five months
with turnover up 22 per
cent over the same
1976. He predicts a
1977-78 for 1977.

PONS-ONV
is to become a subsidiary
of Pons-ONV, with a share-
holding of 52 per cent of equity.

GROUP
action for
against Leeds City Coun-
cilled in High Court.
and to pay £115,000.

ss appointments

D Allport to be Metal
managing director

I. Allport is to become
director of Metal Box
1, when Sir Alex Page
chief executive, but
chairman, Mr R. J. Frost,
will be a director. Mr
succeeded Mr Allport as
and chief executive of
Packaging.

J. McConnot has been
turer of Esso Petroleum
from July 1.
and Preston has joined
of John Dewar & Sons,
Leeds and Mr Wilfred
re retired.

D. Hilton, shipbuilding,
to succeed Mr R. C.
as deputy managing
f Swan Hunter Ship-
yard.

ert Weeks is made
terial, North-Eastern
the Central Electricity
Board; Dr Ian Preston
general, generation devel-
opment division,
under Howard director,
development division
action division.

r Savory has become
ative of Brooke Bond
on July 1. Mr John
will be deputy chief
Mr Humphrey Prichard
s chairman.

astina is now chairman
Rollator and of J.
vus. He remains man-
tor of Mann. For the
he also takes over as
director of Howard
from Mr C. W. S.
who has resigned from

m Morrison has been
executive director of

Thomas has become
of Warner Wright and

as Blackwell has been
ctor of Richmansworth
Valley Water.

Ricketts becomes a
British American
estimates.
Parker is now a direc-
tor.

Major, formerly man-
or Pace Advertising,
up managing director
up (Communications),
Walsley, formerly
ector has been made
rector of Pace Adver-
Chiff Rowbottom,
irector, is to be man-
or Pace Technical
ons. Mr Porter
comes group financial
r Chris Rowland
ia director.
Horton has been
ur of Soudland,
Marsh, who recently
board of Duipool, has

Briefly

M. & G. SECOND DUAL
Pre-tax revenue for year to May
31, 1976, £204,000 (£204,000). Net as-
sets a share, 35.5p (£22.5p). Divi-
dend is raised from 5.5p to 6.5p.

GEORGE DOLAND
Turnover for year to January
31, 1976, £3.3m (£3.1m). Pre-tax profits
£17,000 (£18,000). Earnings a
share are 3.3p (£2.3p). Dividend
is raised from 1.5p to 2.1p gross.

TRIESTE
Board proposes a one-for-four
share issue. Pre-tax profits
£200,000 (£201,000) for 1976.
Dividend is raised from 3.5p to 3.8p
gross.

ANGLO CONTINENTAL
Resolution to modify terms of
Anglo Continental Investment
Finance's six-month rate un-
secured loan stock, 1974-83,
involving its conversion to a debent-
ure stock conditionally approved.
Further announcement, not later
than June 13.

BRITISH URALITE
British Uraltite is placing in-
creased emphasis on its export
activities with the result that
1976's export sales jumped 50
per cent, a trend that should con-
tinue and increase in the years
ahead.

EXTERNAL INVESTMENT
For the current year, the board
of External Investment Trust is
budgeting for a further rise in
revenue and it hopes to lift the
total dividend for this year to
March, 1978.

DURING the bad times, your training programmes have suffered. You've been finding—like most employers—that you simply can't afford your usual investment in raw, untrained talent. Yet you know that without a continuing development of essential skills, your business can't survive in the long term.

Now the economy seems to be turning the corner, perhaps it's time to take stock.

We don't ask you to do it unaided. There are generous grants, and a whole range of national schemes, open to almost all employers willing to bring young people into their business.

Some of these schemes are new. Some have been around for some time. All have full CBI and TUC backing. We say you could use any or all of them to your company's advantage. Find out if we're right.

The Work Experience Programme

Helps build tomorrow's workforce today. Some 670,000 school-leavers this year will be seeking work. The majority will be successful. Many will be disappointed. These youngsters need to feel useful and be useful. You can help; and with your help we can turn a problem into an opportunity.

We ask you to take on young people and give them Work Experience; help build their confidence, sort out their aptitudes, give them the chance to prove their ability and keenness, learn work discipline, and gain vital experience.

We'll help you write a programme. You can select your own candidates (some firms have given first choice to employee's children). You pay them an allowance of £16 a week. We reimburse you in full with a minimum of fuss and paperwork.

Enlightened self-interest. This programme works both ways. Big companies such as Chrysler, Nat West, and ICI have found that what started as an exercise in social responsibility has brought positive personnel benefits: in some cases an important preview of training talent, closer labour relationships, a re-assessment of the potential of apparently underqualified young people.

These companies' experiences have been shared by hundreds of small businesses across the country; could you benefit too? Details available from your local Work Experience Office.

Grants and Awards for Employers

To maintain and, where practical, expand apprenticeship and other trainee schemes for young people; the Training Services Agency has funds available through your Industrial Training Board to help with the cost of first year training for extra recruits.

Grants are also available for employers providing experience for college based sandwich course students.

Details vary from industry to industry. For specific information contact your ITB; or if your industry does not have one, phone John McKeown (01-8361213).



Opportunities for young people.



Manpower
Services Commission
Selkirk House, 166 High Holborn, London WC1V 6PF

Prices turn easier

\$ Forward bargains are permitted on two previous days.

THE TIMES SHARE INDICES

